

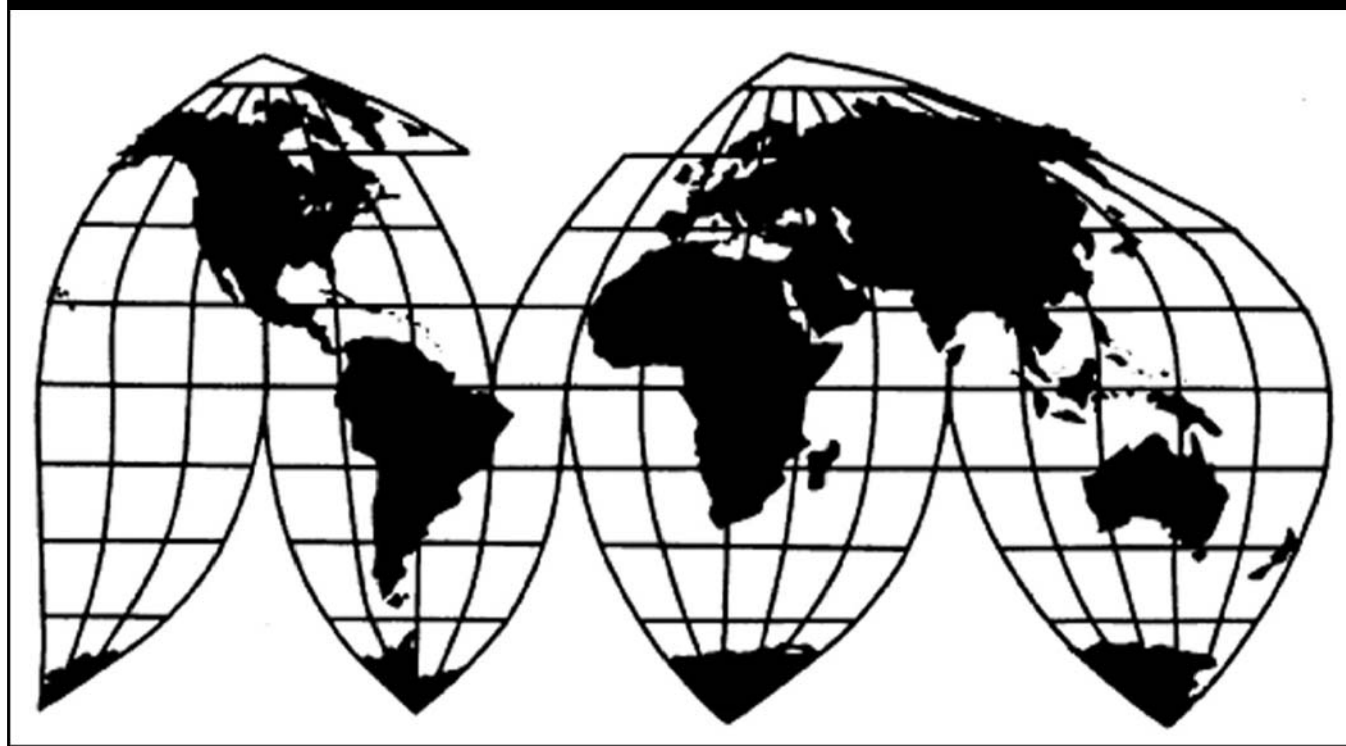
Narrow Woven Ribbons with Woven Selvedge from China and Taiwan

Investigation Nos. 701-TA-467 and 731-1164-1165

Publication 4099

August 2009

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-467 and 731-TA-1164-1165 (Preliminary)

NARROW WOVEN RIBBONS WITH WOVEN SELVEDGE FROM CHINA AND TAIWAN

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (Commission) determines, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a) and 19 U.S.C. § 1673b(a)) (the Act), that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from China of narrow woven ribbons with woven selvedge, primarily provided for in subheading 5806.32 of the Harmonized Tariff Schedule of the United States, that are alleged to be subsidized by the Government of China, and by imports of such merchandise from China and Taiwan that are alleged to be sold in the United States at less than fair value (LTFV).

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules, upon notice from the Department of Commerce (Commerce) of affirmative preliminary determinations in these investigations under sections 703(b) and 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under sections 705(a) and 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

BACKGROUND

On July 9, 2009, a petition was filed with the Commission and Commerce by Berwick Offray LLC and its wholly-owned subsidiary Lion Ribbon Company, Inc., Berwick, PA, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of narrow woven ribbons with woven selvedge from China and by imports of such merchandise from China and Taiwan sold in the United States at less than fair value. Accordingly, effective July 9, 2009, the Commission instituted countervailing duty investigation No. 701-TA-467 and antidumping duty investigations Nos. 731-TA-1164-1165 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of July 15, 2009 (74 FR 34362). The conference was held in Washington, DC, on July 30, 2009, and all persons who requested the opportunity were permitted to appear in person or by counsel.

¹ The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

VIEWS OF THE COMMISSION

Based on the record in the preliminary phase of these investigations, we find that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of certain narrow woven ribbons with woven selvedge (“narrow woven ribbons”) from China and Taiwan that are allegedly sold in the United States at less than fair value and imports of narrow woven ribbons from China that are allegedly subsidized by the Government of China. Due to a lack of reliable information in these investigations on specific issues discussed below, we cannot conclude that the record as a whole contains clear and convincing evidence that there is no threat of material injury and no likelihood exists that contrary evidence will arise in any final phase investigations. See American Lamb Co. v. United States, 785 F.2d 994, 1001-04 (Fed. Cir. 1986).

I. THE LEGAL STANDARD FOR PRELIMINARY DETERMINATIONS

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.¹ In applying this standard, the Commission weighs the evidence before it and determines whether “(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation.”²

II. BACKGROUND

The petitions in these investigations were filed on July 9, 2009, by domestic producer Berwick Offray LLC and its wholly owned subsidiary Lion Ribbon Company, Inc. (“petitioner” or “Berwick Offray”). Petitioner appeared at the staff conference and filed a postconference brief. Although petitioner identified fifteen possible domestic producers,³ three do not produce narrow woven ribbons,⁴ two provided incomplete data,⁵ and eight did not respond to the Commission’s domestic producer’s questionnaire.⁶ The two companies providing useable data on their U.S. production operations, Berwick Offray and Lawrence Schiff Silk Mills, Inc. (“Schiff”), are believed to account for the vast majority of

¹ 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); see also American Lamb, 785 F.2d at 1001-04; Aristech Chem. Corp. v. United States, 20 CIT 353, 354-55 (1996). No party argued that the establishment of an industry is materially retarded by reason of the allegedly unfairly traded imports.

² American Lamb Co., 785 F.2d at 1001; see also Texas Crushed Stone Co. v. United States, 35 F.3d 1535, 1543 (Fed. Cir. 1994).

³ See, e.g., Petition, Vol. I at 7; Amendment II to Petition at Exh. A at 9-10.

⁴ (***). See, e.g., Confidential Staff Report, Memorandum INV-GG-071 (Aug. 17, 2009), as modified by Memorandum INV-GG-073 (Aug. 20, 2009) (“CR”) at III-1 nn.4-5; Public Version of Staff Report, Narrow Woven Ribbons with Woven Selvedge from China and Taiwan, Inv. Nos. 701-TA-467 and 731-TA-1164 to 1165 (Prelim.), USITC Pub. 4099 (“PR”) at III-1 nn.4-5 (Aug. 2009).

⁵ (***) and (***)). See, e.g., CR at III-1 nn.2-3; PR at III-1 nn.2-3; see also, e.g., Petitioner’s Postconf. Br. at 4.

⁶ (***, ***, ***, ***, ***, ***, ***, and ***). Compare, e.g., CR at III-1; PR at III-1 with, e.g., Petition, Vol. I at 7; Amendment II to Petition at Exh. A at 9-10.

U.S. production of narrow woven ribbons in 2008.⁷ Wm. Wright Company (“Wm. Wright”), a domestic producer of narrow woven ribbons early in the period of investigation⁸ and a current importer of subject merchandise, entered an appearance through counsel, but did not participate in the staff conference or submit a brief.⁹

Several respondents appeared at the preliminary staff conference and submitted postconference briefs. A group of importers/retailers of subject merchandise, Costco Wholesale Corporation (“Costco”), Hobby Lobby Stores, Inc. (“Hobby Lobby”), Jo-Ann Stores, Inc. (“Jo-Ann’s”), and Michaels Stores, Inc. (“Michaels”), participated in the staff conference through company officials and/or counsel. Together with Target Corporation (“Target”) (collectively, the “Ribbon Retailers”), they submitted a joint postconference brief. Representatives from Liberty Ribbon and Packaging, LLC (“Liberty Ribbon”), Papillon Ribbons & Bow, Inc. (“Papillon”), MNC Stribbons, Inc. (“MNC Stribbons”), and Compass Designs, LLC also participated in the staff conference through company officials and counsel. Liberty Ribbon, Papillon, and MNC Stribbons filed a joint postconference brief along with Fabric Barn, M&J Trimming Company, Inc., and Papermart (collectively “Respondent Importers”). As explained herein, U.S. import data in these investigations are based on responses to the Commission’s U.S. importer questionnaires by 74 companies, including virtually all of those believed to be leading importers.¹⁰

III. DOMESTIC LIKE PRODUCT

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the “domestic like product” and the “industry.”¹¹ Section 771(4)(A) of the Tariff Act of 1930, as amended (“the Tariff Act”), defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”¹² In turn, the Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation”¹³

B. Product Description

The U.S. Department of Commerce (“Commerce’s”) notices of initiation defined the imported merchandise within the scope of these investigations thusly:

⁷ See, e.g., CR at I-3; PR at I-2; CR/PR at Table III-1.

⁸ The Commission’s period of investigation for these investigations includes 2006, 2007, 2008, and the first three months of 2009 (“interim 2009”).

⁹ Petitioner reports that Wm. Wright’s equipment was not sold until January 2007. See, e.g., Petitioner’s Postconf. Br. at Exh. 1 at 3, Exh. 14. Wm. Wright ceased U.S. narrow woven ribbons production in ***, after which it was *** an importer of subject merchandise. See, e.g., CR at III-1; PR at III-1. Petitioner asserts that Wm. Wright now produces narrow woven ribbons in Shanghai, China and exports them to the United States. See, e.g., Petition, Vol. I at 7, Exh. 5.

¹⁰ See, e.g., CR at I-3 to I-4; PR at I-3.

¹¹ 19 U.S.C. § 1677(4)(A).

¹² 19 U.S.C. § 1677(4)(A).

¹³ 19 U.S.C. § 1677(10).

narrow woven ribbons with woven selvedge, in any length, but with a width (measured at the narrowest span of the ribbon) less than or equal to 12 centimeters, composed of, in whole or in part, man-made fibers (whether artificial or synthetic, including but not limited to nylon, polyester, rayon, polypropylene, and polyethylene terephthalate), metal threads and/or metalized yarns, or any combination thereof.¹⁴ Narrow woven ribbons subject to {these investigations} include all narrow woven fabrics, tapes, and labels that fall within this written description of the scope of these investigations.¹⁵

¹⁴ Narrow woven ribbons subject to these investigations may be as follows:

- * of natural or other non-man-made fibers;
- * of any color, style, pattern, or weave construction, including but not limited to single-faced satin, double-faced satin, grosgrain, sheer, taffeta, twill, jacquard, or a combination of two or more colors, styles, patterns and/or weave constructions;
- * subjected to, or composed of materials that have been subjected to, various treatments, including but not limited to dyeing, printing, foil stamping, embossing, flocking, coating and/or sizing;
- * with embellishments, including but not limited to appliqué, fringes, embroidery, buttons, glitter, sequins, laminates, and/or adhesive backing;
- * with wire and/or monofilament in, on, or along the longitudinal edges of the ribbon;
- * with ends of any shape or dimension, including but not limited to straight ends that are perpendicular to the longitudinal edges of the ribbon, tapered ends, flared ends or shaped ends, and the ends of such woven ribbons may or may not be hemmed;
- * with longitudinal edges that are straight or of any shape, and the longitudinal edges of such woven ribbon may or may not be parallel to each other;
- * comprised of such ribbons adhered to the like ribbon and/or cut-edge woven ribbon, a configuration also known as an “ornamental trimming;”
- * wound on spools; attached to a card; hanked (*i.e.*, coiled or bundled); packaged in boxes, trays or bags; or configured as skeins, balls, bateaus or folds; and/or
- * included within a kit or set such as when packaged with other products, including but not limited to gift bags, gift boxes and/or other types of ribbon.

See, e.g., 74 Fed. Reg. 329291, 329297-98 (Aug. 6, 2009) (initiation of antidumping duty investigations) and 74 Fed. Reg. 329298, 329301-02 (Aug. 6, 2009) (initiation of countervailing duty investigation).

¹⁵ Excluded from the scope of this investigation are the following: (1) formed bows composed of narrow woven ribbons with woven selvedge; (2) “pull bows” (*i.e.*, an assemblage of ribbons connected to one another, folded flat and equipped with a means to form such ribbons into the shape of a bow by pulling on a length of material affixed to such assemblage) composed of woven ribbons; (3) narrow woven ribbons comprised at least 20 percent by weight of elastomeric yarn (*i.e.*, filament yarn, including monofilament, of synthetic textile material, other than textured yarn, which does not break on being extended to three times its original length and which returns, after being extended to twice its original length, within a period of five minutes, to a length not greater than one and a half times its original length as defined in the U.S. Harmonized Tariff Schedule (“HTSUS”), Section XI, Note 13) or rubber thread; (4) narrow woven ribbons of a kind used for the manufacture of typewriter or printer ribbons; (5) narrow woven labels and apparel tapes, cut-to-length or cut-to-shape, having a length (when measured across the longest edge-to-edge span) not exceeding 8 centimeters; (6) narrow woven ribbons with woven selvedge attached to and forming the handle of a gift bag; (7) cut-edge narrow woven ribbons formed by cutting broad woven fabric into strips of ribbon, with or without treatments to prevent the longitudinal edges of the ribbon from fraying (such as by merrowing, lamination, sono-bonding, fusing, gumming, or waxing), and with or without wire running lengthwise along the longitudinal edges of the ribbon; (8) narrow woven ribbons comprised of at least 85 percent by weight of threads having a denier of 225 or higher; (9) narrow woven ribbons constructed from pile fabrics (*i.e.*, fabrics with a surface effect formed by tufts or loops of yarn that stand up from the body of the fabric); (10) narrow woven ribbon affixed (including by tying) as a decorative detail to non-subject merchandise, such as a gift bag, gift box, gift tin, greeting card or plush toy, or affixed (including by tying) as a decorative detail to packaging containing non-subject merchandise; (11) narrow woven ribbon affixed to non-subject merchandise as a working component of such non-subject merchandise, such as where narrow woven ribbon comprises an apparel trimming book marker, bag cinch, or

(continued...)

Commerce also explained that the merchandise under investigation is currently classifiable under statistical reporting numbers 5806.32.1020; 5806.32.1030; 5806.32.1050; and 5806.32.1060 of the HTSUS. Subject merchandise also may enter under subheadings 5806.31.00; 5806.32.20; 5806.39.20; 5806.39.30; 5808.90.00; 5810.91.00; 5810.99.90; 5903.90.10; 5903.90.25; 5907.00.60; and 5907.00.80 and under statistical categories 5806.32.1080; 5810.92.9080; 5903.90.3090; and 6307.90.9889. The written description of the merchandise under investigation, however, is dispositive.¹⁶ The Commission has not conducted any prior investigations of narrow woven ribbons.¹⁷

Narrow woven ribbons are fabrics with widths equal to or less than 12 centimeters that typically are used to adorn or embellish apparel, footwear, home furnishings, crafts, or floral arrangements. They may also be used for functional reasons such as to create hair bows and sashes and to wrap packages.¹⁸ Because they are constructed with a durable woven selvedge (or longitudinal edge) and are colorfast by nature of their fiber content and dyeing process, narrow woven ribbons do not fray easily and are washable. Consequently, they are often used in apparel and keepsake items such as scrapbooks.¹⁹

Narrow woven ribbons come in a variety of designs, widths, colors, and patterns²⁰. ***²¹ Manufacturers create different varieties by changing the weave pattern, color, fiber type, or embellishment.²² Manufacturers may weave the ribbons from yarn-dyed yarn or from greige (unfinished yarn) that is piece-dyed in woven form.²³ In yarn-dyed ribbons, manufacturers can create woven patterns such as stripes, jacquards, plaids, and embroidered designs.²⁴ Common types of narrow woven ribbons include single- and double-faced satin, grosgrain, picot, and sheer.²⁵ These different forms of narrow woven ribbons sometimes have different uses.²⁶

To manufacture narrow woven ribbons, in a process called “warping,” producers typically wind textured or flat greige yarn onto a beam that will vary in thread-count composition according to ribbon

¹⁵ (...continued)

part of an identity card holder; and (12) narrow woven ribbon(s) comprising a belt attached to and imported with an item of wearing apparel, whether or not such belt is removable from such item of wearing apparel. See, e.g., 74 Fed. Reg. at 39297-98; 74 Fed. Reg. at 39301-02.

¹⁶ See, e.g., 74 Fed. Reg. 39291, 39297-98 (Aug. 6, 2009) (initiation of antidumping duty investigations) and 74 Fed. Reg. 39298, 39301-02 (Aug. 6, 2009) (initiation of countervailing duty investigation).

¹⁷ See, e.g., CR at I-4; PR at I-3.

¹⁸ See, e.g., CR at I-8; PR at I-7.

¹⁹ See, e.g., CR at I-8; PR at I-7.

²⁰ See, e.g., CR at I-8; PR at I-7.

²¹ See, e.g., CR at I-8; PR at I-7.

²² See, e.g., CR at I-8; PR at I-7.

²³ See, e.g., CR at I-8; PR at I-7.

²⁴ See, e.g., CR at I-8; PR at I-7.

²⁵ See, e.g., CR at I-8 to I-9; PR at I-7.

²⁶ For example, single-faced satin is often used to embroider apparel because the face of the ribbon is a smooth satin, while the reverse side is dull, can be sewn down, and will not slip or be visible in final use. Double-faced satin is preferable for applications where both sides of the ribbon will be visible, such as for sashes, hair bows, or home decor. Sheer ribbons, which are frequently used in floral applications, are often woven with wire in the selvedge to impart body to the ribbon and to help the ribbon maintain its shape when fashioned into packaging bows. Grosgrain ribbons are bulkier and have a textured feel (or hand) desirable for applications such as hair bows or in home decor where a shiny ribbon or slippage is undesirable. See, e.g., CR at I-9; PR at I-7.

design.²⁷ The beams are then placed on a loom for weaving. In the United States, manufacturers primarily use faster specialized needle looms rather than shuttle looms.²⁸

During weaving, one or more warp beams is fed into the loom. Cards on the loom separate the warp beam according to a programmed pattern. Then, a needle hooks through the warp beam carrying a filling yarn through to a latch hook that catches the filling yarn. After insertion, the filling yarn is “beat” into the fabric to keep the filling yarns parallel. Narrow woven ribbons are produced using ***.²⁹ Prior to final spooling, narrow woven ribbons are then rolled directly from the loom onto a bulk spool for dyeing, in the case of ribbons made from greige yarns, or, in the case of yarn-dyed yarns finishing (washing, de-sizing, drying, and ironing). During the dyeing process, the greige ribbons are pre-scoured, dried, dyed, heated to absorb the color pigment, and then washed and dyed again³⁰. ***.³¹ Before final spooling, narrow woven ribbons can be embellished using flexoprinting, transfer printing, silkscreen printing, lacquer printing, or hot stamping.³²

Dyed, finished, and embellished ribbons are typically spooled (blocked) once an order is received. Spooling can be done automatically or manually, and the length of ribbon on a spool varies by customer and distribution method. Narrow woven ribbons are spun to a specific length onto a cardboard spool, flanges are glued to both sides of the spool, the package is labeled, and a plastic film is wrapped around the exposed ribbon to form a finished product.³³

C. Analysis

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.³⁴ No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.³⁵ The

²⁷ See, e.g., CR at I-9 to I-10; PR at I-8. Yarn-dyed ribbons, which represent approximately *** percent of total U.S. production, undergo an additional step prior to warping where the monofilament yarn is dyed. See, e.g., CR at I-10; PR at I-8.

²⁸ See, e.g., Petition, Vol. I at 4; CR at I-11; PR at I-8. Shuttle looms form the selvage by using the outer warp thread to lock the weft in place at the turns whereas needle looms form one or both of the selvages by other methods such as interlocking the weft threads or by using an independent thread that is not a warp thread to lock the weft thread in place at the turns. See, e.g., Petition, Vol. I at 4-5. Petitioner asserts that the resulting ribbons from shuttle and needle looms are “indistinguishable to the naked eye.” See, e.g., Petition, Vol. I at 5.

²⁹ See, e.g., CR at I-11; PR at I-9.

³⁰ See, e.g., CR at I-11 to I-12; PR at I-9.

³¹ See, e.g., CR at I-12 to I-13; PR at I-9.

³² See, e.g., CR at I-13; PR at I-9.

³³ See, e.g., CR at I-13 to I-14; PR at I-10.

³⁴ See, e.g., Cleo, Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of Commerce, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. See Nippon, 19 CIT at 455 n.4; Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

³⁵ See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

Commission looks for clear dividing lines among possible like products and disregards minor variations.³⁶ Although the Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized or sold at less than fair value,³⁷ the Commission determines what domestic product is like the imported articles Commerce has identified.³⁸ The Commission must base its domestic like product determination on the record in these investigations. The Commission is not bound by prior determinations, even those pertaining to the same imported products, but may draw upon previous determinations in addressing pertinent domestic like product issues.³⁹

For purposes of these determinations, we considered whether to define the domestic like product broader than the scope of these investigations to include cut-edge ribbons. Manufacturers produce cut-edge ribbons by cutting broad woven fabric longitudinally into long strips using a hot knife to heat-seal the edges. Alternatively, cut-edge producers may merrow (sew using a tight-looped continuous thread), laminate, fuse, or wax the edges to prevent fraying.⁴⁰

Petitioner asks the Commission to define a single domestic like product, comprised of all narrow woven ribbons, that is coextensive with the scope of these investigations.⁴¹ Respondents do not contest the domestic like product proposed by petitioner.⁴² Based on the record in these investigations and consideration of the six factors identified above, we do not define a domestic like product broader than the scope of these investigations and thus do not include cut-edge ribbons in the domestic like product.

Physical characteristics. Due to differences in their manufacturing processes, narrow woven ribbons and cut-edge ribbons have different physical characteristics. In the United States, narrow woven ribbons are produced on narrow needle or shuttle looms that weave yarns into ribbons of the desired width (typically less than 2 inches (5.08 centimeters)).⁴³ In contrast, cut-edge ribbons are typically cut from broad woven fabric into strips of 2.5 inches (6.35 centimeters) in width or wider.⁴⁴ The woven longitudinal edges of narrow woven ribbons are generally less susceptible to fraying than the edges of

³⁶ See, e.g., Nippon, 19 CIT at 455; Torrington, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (1979) (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

³⁷ See, e.g., USEC, Inc. v. United States, 34 Fed. Appx. 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); Algoma Steel Corp. v. United States, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), aff'd, 865 F.3d 240 (Fed. Cir.), cert. denied, 492 U.S. 919 (1989).

³⁸ Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); Cleo, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); Torrington, 747 F. Supp. at 748-52 (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

³⁹ See, e.g., Acciai Speciali Terni S.p.A. v. United States, 118 F. Supp. 2d 1298, 1304-05 (Ct. Int'l Trade 2000); Nippon, 19 CIT at 455; Asociacion Colombiana de Exportadores de Flores v. United States, 693 F. Supp. 1165, 1169 n.5 (Ct. Int'l Trade 1988); Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1087-88 (Ct. Int'l Trade 1988).

⁴⁰ See, e.g., CR at I-15; PR at I-10.

⁴¹ See, e.g., Petitioner's Postconf. Br. at 2-3; Transcript of Staff Conference held on July 30, 2009, as revised on Aug. 19, 2009 ("Confer. Tr.") at 31-34 (Pajic), 76-77 (Shea); Amendment II to the Petition at Exh. A, at 7-9; Petition, Vol. I at 61-64.

⁴² See, e.g., Confer. Tr. at 165 (Jacobs, Perry).

⁴³ See, e.g., Petition, Vol. I at 3-4; CR at I-15; PR at I-11.

⁴⁴ See, e.g., CR at I-15; PR at I-11.

cut-edge ribbons.⁴⁵ By using narrow looms, manufacturers of narrow woven ribbons are able to use stronger yarns or tighter construction to yield finished selvages (or woven edges that do not unravel) that are stronger and even more wear-resistant for use in later processing by the manufacturer or downstream users.⁴⁶ Other dissimilarities between narrow woven ribbons and cut-edge ribbons are related to differences in yarns and/or finishes used to construct them.⁴⁷

The narrow looms used to produce narrow woven ribbons enhance manufacturers' ability to construct the selvedge with yarns of different colors or with fancy effects to enhance the decorative appearance of the ribbon.⁴⁸ Whereas narrow woven ribbons are woven on one loom in one process, cut-edge ribbons must be manufactured in multiple steps to achieve multi-thread effects or wired edges.⁴⁹

End uses and interchangeability. Differences in their construction limit the interchangeability of cut-edge and narrow woven ribbons. Because their seams are not as permanent as narrow woven ribbons, cut-edge ribbons are often used in seasonal, floral, or single-use applications.⁵⁰ Because of their fiber content, dyeing process, and durable woven selvedge, narrow woven ribbons do not fray easily and are colorfast and washable.⁵¹ Although they are used in some overlapping end uses, such as in floral applications, to wrap packages, or to decorate a home or office, narrow woven ribbons are preferred for more durable applications such as to adorn or embellish apparel, footwear, and home furnishings, for functional purposes in keepsakes such as scrapbooks, and to create hair bows and sashes.⁵²

Channels of distribution and producers/customers' perceptions. Narrow woven ribbons and cut-edge ribbons generally are sold in different channels of distribution.⁵³ In terms of producers' and customers' perceptions, none of the witnesses at the staff conference contradicted petitioner's assertion that narrow woven ribbons are different from cut-edge ribbons. Some questionnaire respondents reported that cut-edge ribbons can be substituted for narrow woven ribbons, but when asked about the degree of interchangeability, 24 importers reported limited interchangeability, 11 reported no interchangeability, and 6 reported that they are fully interchangeable.⁵⁴

⁴⁵ See, e.g., Petition, Vol. I at 3; CR at I-8; PR at I-7.

⁴⁶ See, e.g., Petition, Vol. I at 3; CR at I-8; PR at I-7.

⁴⁷ To produce narrow woven ribbons, manufacturers generally use flat or textured polyester or nylon monofilament greige yarn that is dyed after weaving, although some narrow woven ribbons use yarn-dyed yarns. Polyester typically has a smoother hand compared to acetate or nylon and is better suited for use in *** whereas nylon is good for use in *** but is ***. See, e.g., CR at I-9 to I-10; PR at I-8. By comparison, cut-edge ribbons are often manufactured from acetate or polyester broad woven fabric. Acetate ***. See, e.g., CR at I-15; PR at I-11. Cut-edge ribbons are often treated with a finish that gives them a stiff hand, whereas narrow woven ribbons generally have a soft and flexible hand. See, e.g., CR at I-15; PR at I-11.

⁴⁸ See, e.g., Petition, Vol. I at 3; CR at I-8, I-10 to I-11; PR at I-7, I-8.

⁴⁹ See, e.g., CR at I-15; PR at I-11.

⁵⁰ See, e.g., CR at I-15 to I-16; PR at I-11.

⁵¹ See, e.g., CR at I-8; PR at I-7.

⁵² See, e.g., CR at I-8; PR at I-7.

⁵³ U.S. producers of narrow woven ribbons reported that *** percent of their U.S. shipments went to wholesalers/distributors, *** percent went to retailers, and *** percent went to industrial end-users. See, e.g., CR at I-17; PR at I-12. Domestic cut-edge ribbons producer Liberty Ribbon reported that *** percent of its U.S. shipments in 2008 were to wholesalers/distributors, *** percent went to retailers, and the remaining *** percent went to industrial end users. See, e.g., CR at I-17; PR at I-12.

⁵⁴ See, e.g., CR at II-9; PR at II-6.

Manufacturing facilities, processes, and employees. Narrow woven ribbons are produced on narrow looms that differ from the broad-fabric looms used to produce cut-edge ribbons.⁵⁵ Different manufacturing processes are used to produce cut-edge and narrow woven ribbons.⁵⁶ Moreover, the record does not reflect any meaningful overlap of production facilities or employees used to produce cut-edge ribbons and narrow woven ribbons.⁵⁷

Price. Finally, cut-edge ribbons are priced lower than narrow woven ribbons in retail outlets. Liberty Ribbon reported \$*** per square yard as the average unit value for cut-edge ribbons in 2008 compared to \$*** per square yard reported in questionnaire responses for domestically produced narrow woven ribbons.⁵⁸

Based on these differences and in the absence of any contrary party arguments, we find a clear dividing line between narrow woven ribbons and cut-edge ribbons. We therefore define the domestic like product as co-extensive with the scope of these investigations: narrow woven ribbons other than cut-edge ribbons.

IV. DOMESTIC INDUSTRY

The domestic industry is defined as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”⁵⁹ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

A. Sufficient Production-Related Activities

Petitioner asks the Commission to determine that there is one domestic industry comprised of the U.S. producers that manufacture narrow woven ribbons, the scope merchandise.⁶⁰ Respondents do not ask for a different definition of the domestic industry.⁶¹

⁵⁵ See, e.g., CR at I-16; PR at I-11; Petition, Vol. I at 4. Petitioner asserts that broad-fabric looms produce “broad-fabric goods having widths many times the width of narrow ribbons,” such that it would be “highly inefficient and commercially impracticable to utilize a broad-fabric loom to produce narrow woven ribbons.” According to petitioner, the converse is also true – narrow looms (which ***) are not capable of producing wide widths and thus are not used to produce cut-edge ribbons. See, e.g., CR at I-16; PR at I-11; Petition, Vol. I at 4.

⁵⁶ To produce cut-edge ribbons, manufacturers typically weave yarns into a broad fabric, cut the broad fabric longitudinally to form narrow fabric, and perform additional processing operations. See, e.g., Petition, Vol. I at 3. To prevent the longitudinal edges from fraying, manufacturers either use a “hot knife” to cut the broad fabric and heat seal it into narrow fabric ribbon strips or they subject the longitudinal edges of the cut-edge ribbons to merrowing, lamination, sono-bonding, fusing, waxing, or gumming. See, e.g., Petition, Vol. I at 3; CR at I-15; PR at I-10. In contrast, manufacturers of narrow woven ribbons use narrow looms that weave yarns into ribbons of a desired width, negating the need for any longitudinal cutting since the longitudinal edges of the ribbons are “woven” as part of the same weaving process that produces the ribbons itself. See, e.g., Petition, Vol. I at 3; CR at I-11, I-16; PR at I-8, I-11.

⁵⁷ Petitioner identified ***. See, e.g., CR at I-14, I-16; PR at I-10, I-11. The two U.S. producers of narrow woven ribbons that submitted useable questionnaire responses manufacture *** cut-edge ribbons in the United States. See, e.g., CR at I-16; PR at I-11.

⁵⁸ See, e.g., CR at I-17; PR at I-12.

⁵⁹ 19 U.S.C. § 1677(4)(A).

⁶⁰ See, e.g., Petitioner’s Postconf. Br. at 3.

⁶¹ See, e.g., Confer. Tr. at 165 (Jacobs, Perry).

To be included in the domestic industry, the statute requires that a company be a producer of a domestic like product in the United States.⁶² Berwick Offray produces narrow woven ribbons in the United States but asserts that it was forced to move some of its spooling operations (*i.e.*, packaging the narrow woven ribbons onto cardboard flanges and wrapping and labeling the spools) to Mexico in order to compete with low-priced subject imports.⁶³ In Mexico, the company ***.⁶⁴ Petitioner also performs a small amount of transfer printing in Mexico, an amount that it reports is less than 5 percent of its total printing.⁶⁵

Thus, a question that arises in these investigations is how to treat narrow woven ribbons that petitioner Berwick Offray weaves and dyes in the United States but transfer prints and/or spools in its facility in Mexico. The scope of these investigations includes narrow woven ribbons whether or not they are spooled onto flanges, as indicated above. Petitioner contends the products spooled in Mexico and sold in the U.S. market should be considered U.S. shipments of the domestic like product and not U.S. shipments of non-subject imports from Mexico.⁶⁶ Respondents do not ask for a different definition of the domestic industry,⁶⁷ although some of them ask the Commission to examine the nature of Berwick Offray's production-related operations in Mexico.⁶⁸

When assessing the nature and extent of production-related activities associated with particular operations, the Commission usually applies a six-factor framework:

- (1) source and extent of the firm's capital investment;
- (2) technical expertise involved in the production activities;
- (3) value added to the product;
- (4) employment levels;
- (5) quantity, type and source of parts; and
- (6) any other costs and activities directly leading to production of the like product.⁶⁹

⁶² 19 U.S.C. § 1677(4)(A).

⁶³ *See, e.g.*, Petitioner's Postconf. Br. at Exh. 1 at 7.

⁶⁴ *See, e.g.*, CR at III-4; PR at III-3; Petitioner's Postconf. Br. at 21-23, Exh. 1 at 7-9.

⁶⁵ *See, e.g.*, CR at III-4; PR at III-3; Confer. Tr. at 63 (Shea).

⁶⁶ *See, e.g.*, Petitioner's Postconf. Br. at Exh. 1 at 5-9; Confer. Tr. at 62-63 (Shea).

⁶⁷ *See, e.g.*, Confer. Tr. at 165 (Jacobs, Perry).

⁶⁸ *See, e.g.*, Confer. Tr. at 166-67 (Perry).

⁶⁹ *See, e.g.*, Lightweight Thermal Paper from China, Germany, and Korea, Inv. No. 701-TA-451 and 731-TA-1126 to 1128 (Prelim.), USITC Pub. 3964 at n.76 (Nov. 2007); Diamond Sawblades and Parts Thereof from China and Korea, Invs. Nos. 731-TA-1092 to 1093 (Final), USITC Pub. 3862 at 8-11 (Jul. 2006) (assemblers included in the industry); Certain Frozen or Canned Warmwater Shrimp and Prawns from Brazil, China, Ecuador, India, Thailand, and Vietnam, Invs. Nos. 731-TA-1063-68 (Final), USITC Pub. 3748 at 12-14 (Jan. 2005) (breeding, marinating/saucing, and skewering not viewed as sufficient to constitute domestic production) (but cooking, deheading, grading, machine peeling, and deveining all constituted domestic production as were "activities including washing, sorting, grading, peeling, deveining, removing the tail, packaging, and freezing"); Greenhouse Tomatoes from Canada, Inv. No. 731-TA-925 (Final), USITC Pub. 3499 at 10-11 (Apr. 2002) (packers included in the industry along with growers); Honey from Argentina and China, Invs. Nos. 701-TA-402 and 731-TA-892-893 (Final), USITC Pub. 3470 (Nov. 2001) (honey packers included in the industry along with beekeepers); Pure Magnesium from China and Israel, Invs. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 9-11 (Nov. 2001) (Commission majority finding that grinding was sufficient production related activity to constitute "production" in that case, although noting that the evidence was mixed).

Given the sui generis nature of this inquiry, no single factor is determinative and the Commission may consider any other factors it deems relevant in light of the specific facts of any investigation.⁷⁰

Examining the facts on the record in the preliminary phase of these investigations using the six factors, we find that the finishing operations conducted by Berwick Offray in Mexico are relatively limited. According to petitioner, Berwick Offray's facility in Mexico is staffed largely by unskilled laborers, uses equipment manufactured in the United States and provided by petitioner, finishes unfinished products that are sourced 100 percent from the United States, and holds no inventories of finished product other than staging for transfer to petitioner's U.S. distribution facilities. Because it makes no sales, the facility in Mexico has no separate profitability.⁷¹ Berwick Offray reports that the only real "production-type" activities performed in Mexico (limited amounts of transfer printing) contribute only *** percent of the value of the finished product and account for only *** percent of the cost of good sold ("COGS") for its domestic production of narrow woven ribbons.⁷² Thus, the operations in Mexico mostly involve just packaging and only in limited circumstances transfer printing the narrow woven ribbons. Based on the limited nature of the production operations conducted in Mexico and the fact that un-spooled narrow woven ribbons are in the scope of these investigations, for purposes of the preliminary phase of these investigations, we treat any narrow woven ribbons that Berwick Offray weaves and dyes in the United States, spools and/or transfer prints in Mexico, and sells in the U.S. market, as U.S. shipments of the domestic like product.

B. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 19 U.S.C. § 1677(4)(B). Subsection 1677(4)(B) allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.⁷³ Exclusion

⁷⁰ For example, the Commission used this framework in one investigation to assess whether U.S. slitters of jumbo rolls imported from subject countries engaged in sufficient production-related activities to warrant treating the resulting thermal transfer ribbon products as shipments of the domestic like product rather than as shipments of subject merchandise. See, e.g., International Imaging Materials, Inc. v. United States, 30 CIT 1181, 1187-89 (2006) (affirming the Commission's finding in Certain Wax and Wax/Resin Thermal Transfer Ribbons from France and Japan, Inv. Nos. 731-TA-1039-1040 (Final), USITC Pub. 3683 (Apr. 2004), where the scope included jumbo (un-slit) rolls of thermal transfer ribbons as well as slit thermal transfer ribbons, that "slitters" engaged in sufficient product-related activities when transforming jumbo rolls imported from subject countries into finished thermal transfer ribbons to constitute domestic production. The Court affirmed the Commission's treatment of the resulting products as shipments of the domestic like product). In a different investigation, the Commission assessed whether U.S. firms that assembled (cased) uncased dynamic random access memory semiconductors ("DRAMs") that were fabbed in third countries engaged in sufficient production-related activities to warrant treating the resulting products as shipments of the domestic like product rather than as shipments of non-subject imports. See, e.g., DRAMs and DRAM Modules from Korea, Inv. No. 701-TA-431 (Final), USITC Pub. 3616 at 11 (Aug. 2003) (In an investigation where the scope included cased and uncased DRAMs, the Commission found that fabbing uncased DRAMs and casing DRAMs each were individually significant production operations. The Commission rejected respondent Hynix's request to treat uncased DRAMs fabbed in third countries but cased in the United States as shipments of non-subject imports. Instead, based on its finding that casing operations constituted significant production-related activities, the Commission treated DRAMs fabbed in third countries but cased in the United States as shipments of the domestic like product).

⁷¹ See, e.g., Petitioner's Postconf. Br. at Exh. 1 at 7.

⁷² See, e.g., Petitioner's Postconf. Br. at Exh. 1 at 7-8; CR at III-4; PR at III-3.

⁷³ 19 U.S.C. § 1677(4)(B).

of such a producer is within the Commission's discretion based upon the facts presented in each investigation.⁷⁴

Based on our definition of the domestic like product, we define the domestic industry as producers of the domestic like product, *i.e.*, all U.S. manufacturers of narrow woven ribbons. Petitioner argues that there is no reason at this time to exclude any producer from the domestic industry based on the statutory related-party provision.⁷⁵ Respondents do not make any arguments concerning related party issues.⁷⁶

As a practical matter, although we include all domestic producers of narrow woven ribbons in the domestic industry, only two producers submitted useable data. On that basis, we examine related party issues only with respect to those two companies. The issue of whether to exclude other domestic producers from the domestic industry as related parties is moot.⁷⁷

Berwick Offray qualifies as a related party because it was an importer of subject merchandise from Taiwan and, ***, China, and it is related to ***.⁷⁸ Berwick Offray is *** producer of narrow woven ribbons in the United States, accounting for *** percent of reported U.S. production in 2008, and it is the sole petitioner in this investigation.⁷⁹ Its imports of the subject merchandise from China and Taiwan were equivalent to *** percent of its domestic production in 2006, *** percent in 2007, *** percent in 2008, and were equivalent to *** percent in interim 2008 and *** percent in interim 2009.⁸⁰ In addition, Berwick Offray facilitated the importation of subject merchandise by other importers of record, providing assistance with arrangements and paperwork.⁸¹ The volume of imports represented by these transactions

⁷⁴ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party are as follows: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e.*, whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market, and (3) the position of the related producer vis-a-vis the rest of the industry, *i.e.*, whether inclusion or exclusion of the related party will skew the data for the rest of the industry. *See, e.g., Torrington Co. v. United States*, 790 F. Supp. 1161 (Ct. Int'l Trade 1992), *aff'd mem.*, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interest of the related producer lies in domestic production or importation. These latter two considerations were cited as appropriate factors in *Allied Mineral Products, Inc. v. United States*, 28 CIT 1861, 1864 (2004) ("The most significant factor considered by the Commission in making the 'appropriate circumstances' determination is whether the domestic producer accrued a substantial benefit from its importation of the subject merchandise."); *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 12 (Ct. Int'l Trade 2001) ("the provision's purpose is to exclude from the industry headcount domestic producers substantially benefitting from their relationships with foreign exporters."); *aff'd*, 34 Fed. Appx. 725 (Fed. Cir. April 22, 2002); S. Rep. No. 249, 96th Cong. 1st Sess. at 83 (1979) ("where a U.S. producer is related to a foreign exporter and the foreign exporter directs his exports to the United States so as not to compete with his related U.S. producer, this should be a case where the ITC would not consider the related U.S. producer to be a part of the domestic industry").

⁷⁵ *See, e.g.*, Petitioner's Postconf. Br. at 3.

⁷⁶ *See, e.g.*, Confer. Tr. at 165-66.

⁷⁷ For that reason, we do not analyze whether appropriate circumstances exist to exclude *** importers of subject merchandise, from the domestic industry. *See, e.g.*, CR at III-1 at n.3; PR at III-1 at n.3; CR/PR at Table IV-1.

⁷⁸ *See, e.g.*, CR at III-2; PR at III-2; CR/PR at Table III-1, Table IV-1.

⁷⁹ *See, e.g.*, CR/PR at Table III-1.

⁸⁰ Calculated from CR/PR at Table III-6.

⁸¹ *See, e.g.*, Ribbon Retailers' Postconf. Br. at 10-14.

was relatively ***, equivalent to only *** percent of Berwick Offray's total narrow woven ribbons' sales volume in 2008 and *** percent in interim 2009.^{82 83}

Although Berwick Offray's imports of subject merchandise and its arranged imports of subject merchandise collectively are ***,⁸⁴ we find that the company's primary interest lies in domestic production rather than the importation of subject merchandise. As noted, it is the *** domestic producer, it is the sole petitioner, and the volume of its domestic production was substantially *** than its importation of subject merchandise. Berwick Offray asserts that it is capable of making virtually any narrow woven ribbons in the United States. The company explained that it only imported narrow woven ribbons from producers in subject countries because prices of imported ribbons are often below its cost of production – competitive pressures necessitated providing narrow woven ribbons at the lower price.⁸⁵

It is not clear whether Berwick Offray derives a significant benefit from its importation of the subject merchandise.^{86 87} The two domestic producers providing useable questionnaire responses reported *** financial data, with *** reporting *** financial results than *** during the period for which data were collected.⁸⁸ Although *** reported *** per-unit COGS, the firm's reported per-unit selling, general, and administrative ("SG&A") expenses were *** than such expenses as reported by *** and resulted in ***.⁸⁹

Based on the considerations explained above, we do not exclude Berwick Offray from the domestic industry as a related party.

Schiff also qualifies as a related party because it was an importer of subject merchandise from ***.⁹⁰ The company is the *** domestic producer, accounting for *** percent of reported U.S. production in 2008.⁹¹ ***⁹² Schiff's imports of the subject merchandise from ***.⁹³

We find that Schiff's primary interest lies in domestic production rather than in importing subject merchandise. Schiff's subject imports ***. Schiff *** and reported that it imports narrow woven ribbons

⁸² See, e.g., CR at III-11; PR at III-5.

⁸³ Berwick Offray describes the transactions it arranges for others as "one-off seasonal buys, primarily for the December holidays, that typically are trays of ribbon composed in large part of {non-subject} cut-edge ribbon rather than narrow woven ribbons." See, e.g., Petitioner's Postconf. Br. at 17.

⁸⁴ In any final phase investigations, we intend to examine more closely Berwick Offray's importing activities as well as the imports it arranges for third parties and will seek ***.

⁸⁵ See, e.g., CR at III-10; PR at III-5.

⁸⁶ Consistent with her practice in past investigations and reviews, Chairman Aranoff does not rely on individual-company operating income margins, which reflect a domestic producer's financial operations related to production of the domestic like product, in assessing whether a related party has benefitted from importation of subject merchandise. Rather, she determines whether to exclude a related party based principally on its ratio of subject imports to domestic production and whether its primary interests lie in domestic production or importation.

⁸⁷ For purposes of the preliminary phase of these investigations, Commissioner Pinkert does not rely upon financial performance as a factor in determining whether there are appropriate circumstances to exclude related parties from the domestic industry. See Allied Mineral Products v. United States, 28 C.I.T. 1861, 1865-67 (2004). For the final phase of these investigations, Commissioner Pinkert invites the parties to provide any information they may have with respect to whether these companies are benefitting financially from their status as related parties.

⁸⁸ See, e.g., CR at VI-4; PR at VI-1.

⁸⁹ See, e.g., CR at VI-4; PR at VI-1.

⁹⁰ See, e.g., CR at III-2; PR at III-2; CR/PR at Table III-6.

⁹¹ See, e.g., CR/PR at Table III-1. Schiff is the only other producer of narrow woven ribbons in the United States that submitted a useable questionnaire response. See, e.g., CR at III-2; PR at III-2; CR/PR at III-1.

⁹² See, e.g., CR/PR at Table III-1.

⁹³ Calculated from CR/PR at Table III-6.

because it is “***.”⁹⁴ It is unclear whether Schiff benefitted from its imports of subject merchandise for the same reasons discussed above with respect to Berwick Offray. The company reported ***, and any benefit that it derived from importing the subject merchandise is unlikely to skew the data for the industry overall.

For all of these reasons, we do not exclude Schiff from the domestic industry as a related party.

C. Conclusion

For the reasons discussed above and in the absence of contrary party arguments, we define the domestic industry to include all domestic producers, including Berwick Offray and Schiff, the only two producers that submitted useable data.

V. CUMULATION⁹⁵

A. Legal Framework

For purposes of evaluating the volume and price effects for a determination of material injury by reason of the subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and the domestic like product in the U.S. market.⁹⁶ In assessing whether subject imports compete with each other and with the domestic like product, the Commission has generally considered four factors, including:

- (1) the degree of fungibility between the subject imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;⁹⁷
- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;

⁹⁴ See, e.g., CR at III-11; PR at III-5.

⁹⁵ Negligibility under 19 U.S.C. § 1677(24) is not an issue in these investigations, and no party made any arguments concerning this issue. Based on importer questionnaire responses, subject imports from China accounted for 37.3 percent and subject imports from Taiwan accounted for 55.9 percent of total U.S. imports of narrow woven ribbons, by value, for the period April 2008 to March 2009, the most recent 12-month period preceding the filing of the petition for which questionnaire data are available. Based on official Commerce statistics, subject imports from China accounted for 32.9 percent of total U.S. imports of narrow woven ribbons, by value, and 28.2 percent of total U.S. imports of narrow woven ribbons, by quantity, whereas subject imports from Taiwan accounted for 64.2 and 67.6 percent, respectively, for the period July 2008 to June 2009, the most recent 12-month period preceding the filing of the petition for which official statistics are available. See, e.g., CR at IV-11; PR at IV-6. Thus, whether measured by importer questionnaire responses, by value, or by official Commerce statistics, by value or quantity, subject imports of narrow woven ribbons from China and Taiwan as a share of total imports of narrow woven ribbons into the United States each clearly exceeded the statute’s three percent negligibility level.

⁹⁶ 19 U.S.C. § 1677(7)(G)(i).

⁹⁷ Commissioner Lane notes that, with respect to fungibility, her analysis does not require such similarity of products that a perfectly symmetrical fungibility is required, and she notes that this factor would be better described as an analysis of whether subject imports from each country and the domestic like product could be substituted for each other. See Separate Views of Commissioner Charlotte R. Lane, Certain Lightweight Thermal Paper from China, Germany, and Korea, Invs. Nos. 701-TA-451 and 731-TA-1126 to 1128 (Prelim.), USITC Pub. 3964 (Nov. 2007).

- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.⁹⁸

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.⁹⁹ Only a “reasonable overlap” of competition is required.¹⁰⁰

By contrast, for purposes of determining if a threat of material injury exists, cumulation is discretionary. Under section 771(7)(H) of the Tariff Act, the Commission may “to the extent practicable” cumulatively assess the volume and price effects of subject imports from all countries as to which petitions were filed on the same day if the requirements for cumulation for material injury analysis are satisfied.¹⁰¹ In addition to considering the four cumulation factors described above, the Commission has considered other factors such as the similarity of the volume trends and pricing data of subject imports from the countries under investigation.¹⁰²

B. Discussion

Petitioner argues that the four factors that the Commission ordinarily considers favor cumulation.¹⁰³ The Ribbon Retailers take no position regarding the issue of cumulation for purposes of any present material injury analysis.¹⁰⁴ Petitioner asks the Commission to exercise its discretion to cumulate subject imports from China and Taiwan for purposes of any threat of material injury analysis based on its assertion that there is little or no disparity in the volume and price trends of subject imports from China and Taiwan.¹⁰⁵ The Ribbon Retailers take no position regarding the issue of cumulation for purposes of any threat of material injury analysis.¹⁰⁶

The statutory threshold for cumulation is satisfied in these investigations, because the petitions concerning subject imports from China and Taiwan were filed on July 9, 2009, and these investigations were instituted on the same day (July 9, 2009). None of the statutory exceptions to cumulation applies.

⁹⁸ See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-278 to 280 (Final), USITC Pub. 1845 (May 1986), aff’d, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int’l Trade), aff’d, 859 F.2d 915 (Fed. Cir. 1988).

⁹⁹ See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

¹⁰⁰ The SAA states that “the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition.” SAA at 848 (citing Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int’l Trade 1988)), aff’d, 859 F.2d 915 (Fed. Cir. 1988). See also, e.g., Goss Graphic Sys., Inc. v. United States, 33 F. Supp. 2d 1082, 1087 (Ct. Int’l Trade 1998) (“cumulation does not require two products to be highly fungible”); Wieland Werke, AG, 718 F. Supp. at 52 (“Completely overlapping markets are not required.”).

¹⁰¹ 19 U.S.C. § 1677(7)(H).

¹⁰² See Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission’s determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallwerken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (Ct. Int’l Trade 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (Ct. Int’l Trade 1988).

¹⁰³ See, e.g., Petitioner’s Postconf. Br. at 5-6.

¹⁰⁴ See, e.g., Ribbon Retailers’ Postconf. Br. at Exh. 1 at 5; Confer. Tr. at 167 (Jacobs, Perry).

¹⁰⁵ See, e.g., Petitioner’s Postconf. Br. at 6-8.

¹⁰⁶ See, e.g., Ribbon Retailers’ Postconf. Br. at Exh. 1 at 5.

Fungibility. Petitioner argues that narrow woven ribbons produced in the United States, China, and Taiwan are fungible and compete directly with one another for the same business in the U.S. market.¹⁰⁷ The Commission asked questionnaire respondents to report the percentage of their U.S. shipments of narrow woven ribbons that consisted of polyester with wire in selvedge; polyester without wire in selvedge; nylon with wire in selvedge; nylon without wire in selvedge; other fabric with wire in selvedge; and other fabric without wire in selvedge.¹⁰⁸ There were domestic shipments and imports from each of the subject countries in each of the identified categories.¹⁰⁹ Moreover, during the staff conference, two industry witnesses representing purchasers that accounted for *** of narrow woven ribbons purchases during the period of investigation reported that they did not know, did not need to know, and did not even track the country of origin for their narrow woven ribbons purchases.¹¹⁰ Questionnaire responses also indicate that market participants perceive narrow woven ribbons from various sources to be interchangeable. *** U.S. producers and a majority of importers that compared narrow woven ribbons from China and Taiwan with those from the United States reported that they are always or frequently interchangeable.¹¹¹

Channels of Distribution. During the period of investigation, narrow woven ribbons produced in the United States, China, and Taiwan were sold in overlapping channels of distribution to industrial end users, wholesalers/distributors, and retailers.¹¹²

Geographic Overlap. Approximately two-thirds of the imports of narrow woven ribbons from China and Taiwan entered the United States in Los Angeles, CA, New York, NY, and New Orleans, LA and in Los Angeles, CA, New York, NY, Dallas-Fort Worth, TX, and San Francisco, CA, respectively.¹¹³ When asked to list the U.S. geographic regions where they sell narrow woven ribbons, *** of the U.S. producers and nearly all of the importers reported that they serve a nationwide market.¹¹⁴

Simultaneous Presence in Market. Commerce statistics and pricing data submitted to the Commission show that imports from China and Taiwan, like the domestic like product, were sold in the U.S. market throughout the period of investigation.¹¹⁵

C. Analysis and Conclusions

Questionnaire responses indicate that the domestic like product and imports from each subject source are at least moderately interchangeable, are sold in overlapping channels of distribution, and have been sold in overlapping geographic markets throughout the period of investigation. We thus find a

¹⁰⁷ See, e.g., Petitioner's Postconf. Br. at 5.

¹⁰⁸ See, e.g., CR at IV-12; PR at IV-6.

¹⁰⁹ The greatest share of domestically produced product and product imported from Taiwan was polyester without wire in selvedge, whereas the greatest share of products imported from China was polyester with wire in selvedge. See, e.g., CR/PR at Table IV-6; CR at IV-12; PR at IV-6.

¹¹⁰ See, e.g., Confer. Tr. at 177-80 (Icsman for Jo-Ann's, Mitchell for Michaels)

¹¹¹ When asked to compare imports of subject merchandise from China with subject imports from Taiwan, *** U.S. producers and 33 of 34 responding importers reported that they are at least sometimes interchangeable with one another. See, e.g., CR/PR at Table II-2.

¹¹² Questionnaire respondents reported that the majority of the domestic industry's sales were to ***, as were subject imports from China. Although questionnaire respondents reported that subject imports from Taiwan were mostly sold to ***, See, e.g., CR/PR at Table II-1; CR at II-2 n.7; PR at II-1 n.7.

¹¹³ See, e.g., CR at IV-13; PR at IV-7.

¹¹⁴ See, e.g., CR at II-1 to II-2; PR at II-1.

¹¹⁵ See, e.g., CR at IV-13; PR at IV-7.

reasonable overlap of competition between the domestic like product and imports from each subject country and between subject imports from China and Taiwan.

We proceed to examine whether, for purposes of any threat of material injury determinations, subject imports from China and Taiwan exhibited similar volume and price trends during the period of investigation so as to justify a decision to cumulate these imports. By value, the volume of subject imports from China increased from 2006 to 2008, while the volume of subject imports from Taiwan declined somewhat (a relationship that was reversed in interim 2009).¹¹⁶ The difference in volume trends, however, was not great in magnitude and served to narrow the difference in the volumes imported from China and Taiwan from 2006 to 2008.¹¹⁷ In addition, the price trends of these imports are sufficiently similar to support cumulation.¹¹⁸ Based on the volume and price trends, and in the absence of any contrary argument, we exercise our discretion to cumulate subject imports from China and Taiwan for purposes of determining whether there is a reasonable indication of a threat of material injury by reason of subject imports from China and Taiwan.

VI. REASONABLE INDICATION OF A THREAT OF MATERIAL INJURY BY REASON OF CUMULATED SUBJECT IMPORTS FROM CHINA AND TAIWAN

A. Legal Standards

In the preliminary phase of antidumping or countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.¹¹⁹ In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.¹²⁰ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”¹²¹ In assessing whether there is a reasonable indication that the domestic industry is materially injured or threatened with material injury by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.¹²² No single factor is dispositive, and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹²³

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is materially injured or threatened with material injury “by reason

¹¹⁶ See, e.g., CR at IV-15; PR at IV-10; CR/PR at Table IV-9 (showing the value of U.S. imports from Taiwan declined between 2006 and 2008 by 6.0 percent while the value of U.S. imports from China increased by 24.6 percent during this period; imports from Taiwan, by value, were higher in interim 2009 than in interim 2008, whereas the inverse was true with respect to imports from China) (based on importer questionnaire responses); CR/PR at Table IV-7 (showing somewhat more noticeable fluctuations in monthly data).

¹¹⁷ See, e.g., CR/PR at Table C-1.

¹¹⁸ See, e.g., CR/PR at Figures V-1 to V-6.

¹¹⁹ 19 U.S.C. §§ 1671b(a), 1673b(a).

¹²⁰ 19 U.S.C. § 1677(7)(B)(i). The Commission “may consider such other economic factors as are relevant to the determination” but shall “identify each {such} factor ... {a}nd explain in full its relevance to the determination.” 19 U.S.C. § 1677(7)(B).

¹²¹ 19 U.S.C. § 1677(7)(A).

¹²² 19 U.S.C. § 1677(7)(C)(iii).

¹²³ 19 U.S.C. § 1677(7)(C)(iii).

of’ unfairly traded imports,¹²⁴ it does not define the phrase “by reason of,” indicating that this aspect of the injury analysis is left to the Commission’s reasonable exercise of its discretion.¹²⁵ In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.¹²⁶

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include non-subject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.¹²⁷ In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.¹²⁸ Nor does the

¹²⁴ 19 U.S.C. §§ 1671b(a), 1673b(a).

¹²⁵ See, e.g., Angus Chemical Co. v. United States, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), aff’d 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

¹²⁶ The Federal Circuit, in addressing the causation standard of the statute, observed that “{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement.” Nippon Steel Corp. v. USITC, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in Mittal Steel Point Lisas Ltd. v. United States, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting Gerald Metals, Inc. v. United States, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that “this court requires evidence in the record ‘to show that the harm occurred “by reason of” the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.’” See also Nippon Steel Corp. v. United States, 458 F.3d 1345, 1357 (Fed. Cir. 2006); Taiwan Semiconductor Industry Ass’n v. USITC, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

¹²⁷ Statement of Administrative Action (“SAA”) on Uruguay Round Agreements Act (“URAA”), H.R. Rep. 103-316, Vol. I at 851-52 (1994) (“{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.”); S. Rep. 96-249 at 75 (1979) (the Commission “will consider information which indicates that harm is caused by factors other than less-than-fair-value imports.”); H.R. Rep. 96-317 at 47 (1979) (“in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;” those factors include “the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry”); accord Mittal Steel, 542 F.3d at 877.

¹²⁸ SAA at 851-52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); Taiwan Semiconductor Industry Ass’n v. USITC, 266 F.3d 1339, 1345 (Fed. Cir. 2001) (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); Asociacion de Productores de Salmon y Trucha de Chile AG v. United States, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); see also Softwood Lumber from Canada, Invs. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, i.e., it is not an ‘other causal factor,’

(continued...)

“by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as non-subject imports, which may be contributing to overall injury to an industry.¹²⁹ It is clear that the existence of injury caused by other factors does not compel a negative determination.¹³⁰

Assessment of whether material injury or threat of material injury to the domestic industry is “by reason of” subject imports “does not require the Commission to address the causation issue in any particular way” as long as “the injury to the domestic industry can reasonably be attributed to the subject imports” and the Commission “ensure{s} that it is not attributing injury from other sources to the subject imports.”¹³¹ ¹³² Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”¹³³

The Federal Circuit’s decisions in Gerald Metals, Bratsk, and Mittal Steel all involved cases where the relevant “other” factor was the presence in the market of significant volumes of price-competitive non-subject imports. The Commission interpreted the Federal Circuit’s guidance in Bratsk as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive non-subject

¹²⁸ (...continued)

then there is nothing to further examine regarding attribution to injury”), citing Gerald Metals, Inc. v. United States, 132 F.3d 716, 722 (Fed. Cir. 1997) (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

¹²⁹ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

¹³⁰ See Nippon Steel Corp., 345 F.3d at 1381 (“an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the ‘dumping’ need not be the sole or principal cause of injury.”).

¹³¹ Mittal Steel, 542 F.3d at 877-78; see also id. at 873 (“While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured ‘by reason of’ subject imports, the Commission is not required to follow a single methodology for making that determination {and has} broad discretion with respect to its choice of methodology.”) citing United States Steel Group v. United States, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75.

¹³² Commissioner Pinkert does not join this paragraph or the following four paragraphs. He points out that the Federal Circuit, in Bratsk, 444 F.3d 1369, and Mittal, held that the Commission is required, when considering present material injury in certain circumstances to undertake a particular kind of analysis of non-subject imports. Mittal explains as follows:

What Bratsk held is that “where commodity products are at issue and fairly traded, price-competitive, non-subject imports are in the market,” the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether non-subject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry. 444 F.3d at 1369. Under those circumstances, Bratsk requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

¹³³ Nucor Corp. v. United States, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); see also Mittal Steel, 542 F.3d at 879 (“Bratsk did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was ‘by reason’ of subject imports.”).

imports.¹³⁴ The additional “replacement/benefit” test looked at whether non-subject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago determination that underlies the Mittal Steel litigation.

Mittal Steel clarifies that the Commission’s interpretation of Bratsk was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have “evidence in the record ‘to show that the harm occurred ‘by reason of’ the LTFV imports,’” and requires that the Commission not attribute injury from non-subject imports or other factors to subject imports.¹³⁵ Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to Bratsk.

The progression of Gerald Metals, Bratsk, and Mittal Steel clarifies that, in cases involving commodity products where price-competitive non-subject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.^{136 137}

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard. Congress has delegated this factual finding to the Commission because of the agency’s institutional expertise in resolving injury issues.^{138 139}

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether “further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted.”¹⁴⁰ The Commission may not make such a determination “on the basis of mere conjecture or supposition,” and considers the threat factors “as a whole” in making its determination whether dumped or subsidized imports are imminent and whether

¹³⁴ Mittal Steel, 542 F.3d at 875-79.

¹³⁵ Mittal Steel, 542 F.3d at 873 (quoting from Gerald Metals, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission’s alternative interpretation of Bratsk as a reminder to conduct a non-attribution analysis).

¹³⁶ Commissioner Lane also refers to her dissenting views in Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, China, Thailand, and the United Arab Emirates, Inv. Nos. 731-TA-1131-1134 (Final), USITC Pub. 4040 (Oct. 2008), for further discussion of Mittal Steel.

¹³⁷ To that end, after the Federal Circuit issued its decision in Bratsk, the Commission began to present published information or send out information requests in final phase investigations to producers in non-subject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large non-subject import suppliers). In order to provide a more complete record for the Commission’s causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in final phase investigations in which there are substantial levels of non-subject imports.

¹³⁸ Mittal Steel, 542 F.3d at 873; Nippon Steel Corp., 458 F.3d at 1350, citing U.S. Steel Group, 96 F.3d at 1357; S. Rep. 96-249 at 75 (“The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.”).

¹³⁹ We provide in the discussion of likely impact in section VI.E. below an analysis of other factors alleged to cause any threat of material injury that likely would be experienced by the domestic industry.

¹⁴⁰ 19 U.S.C. § 1677(7)(F)(ii).

material injury by reason of subject imports would occur unless an order is issued.¹⁴¹ In making our determination, we consider all statutory threat factors that are relevant to these investigations.¹⁴²

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of a threat of material injury by reason of cumulated subject imports from China and Taiwan.

1. Data Considerations

The collection, presentation, and analysis of data in these investigations posed particular challenges. First, the universe of importers is both large and hard to document. In 2006 and 2007, narrow woven ribbons were primarily, but not exclusively, classified under a broad HTSUS statistical

¹⁴¹ 19 U.S.C. § 1677(7)(F)(ii).

¹⁴² These factors are as follows:

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement) and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

* * *

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the price effects analysis, and statutory threat factor (IX) is discussed in the impact analysis. Statutory threat factor (VII) is inapplicable, as no imports of agricultural products are involved in these investigations. No argument was made that the domestic industry is currently engaging or will imminently engage in any efforts to develop a derivative or more advanced version of the domestic like product, which would implicate statutory threat factor (VIII).

reporting number (5806.32.1090) that included not only the subject merchandise but also cut-edge ribbons and wide ribbons, among others. Even after the establishment of four statistical reporting numbers (5806.32.1020; 5806.32.1030; 5806.32.1050; and 5806.32.1060) designed to capture imports of polyester and nylon narrow woven ribbons, effective as of January 2008, imports of other narrow woven ribbons (such as metallic) entered under separate, mixed statistical reporting numbers.¹⁴³

Second, a number of firms, many of them large, reportedly have only a limited sense of whether the narrow woven ribbons that they source and sell are produced in the United States or in other countries, in part because the primary U.S. producers of narrow woven ribbons also import the product. In particular, ***.¹⁴⁴

Third, the measure of quantity is problematic. U.S. producers use square yards to measure production and certain other volume metrics, and the use of square yards is generally acknowledged as a “fair” method to collect volume data in this industry.¹⁴⁵ Official import statistics, to the extent that they can be used, however, are collected in terms of weight (kilograms), and not area. Moreover, few if any importers routinely maintain area-based quantity data, instead collecting data in terms of units (generally spools, which themselves may contain varying yardage) and sometimes linear yards.¹⁴⁶ Indeed, even after best efforts, seven U.S. importers, representing approximately one-quarter of subject imports in 2008, were unable to provide even carefully prepared estimates of their quantity data in square yards.¹⁴⁷ Importer Michaels stated that the “ability to do it {report in square yards} for current sales would be pretty much impossible, and it would be absolutely impossible to provide any historical context.”¹⁴⁸

Finally, for those companies that were able to provide carefully prepared estimates of quantity data in square yards, all data had to be reviewed carefully because of differences in product mix. These included not only size differences and differences in characteristics (such as the use of metallics and other embellishments), but also the fact that ribbons in assortments or other highly processed combinations carried much higher (allocated) average unit values.¹⁴⁹

On the other hand, although several factors tend to undermine the reliability of volume data by units, volume data by value were not subject to all of the same limitations and the data collected were considerably more comprehensive.¹⁵⁰ For these reasons, despite the fact that our normal practice is to consider volume in terms of weight or units rather than value,¹⁵¹ we have relied on value rather than

¹⁴³ See, e.g., CR at I-6, IV-3; PR at I-5, IV-1 to IV-2.

¹⁴⁴ See, e.g., CR at IV-3; PR at IV-2.

¹⁴⁵ See, e.g., Confer. Tr. at 212 (Lodge), 213 (Vaughn).

¹⁴⁶ See, e.g., Confer. Tr. at 212-14 (Lodge, Vaughn, Mitchell, and Icsman).

¹⁴⁷ See, e.g., CR at IV-4; PR at IV-2.

¹⁴⁸ See, e.g., Confer. Tr. at 213 (Mitchell for Michaels).

¹⁴⁹ See, e.g., CR at IV-4; PR at IV-2.

¹⁵⁰ See, e.g., CR at IV-4 to IV-5; PR at IV-2.

¹⁵¹ Compare, e.g., Coated Free Sheet Paper from China, Indonesia, and Korea, Invs. Nos. 701-TA-444 to 446 and 731-TA-1136 to 1137 (Final), USITC Pub. 3965 at 8 (Dec. 2007) (“the Commission generally avoids measuring import volume on the basis of value.”); Certain Off-the-Road Tires from China, Invs. Nos. 701-TA-448 and 731-TA-1117 (Prelim.), USITC Pub. 3943 at 12, n.58 (Aug. 2007) (deviating from the “normal practice” by considering both value and unit measurements of volume due to “large variations in unit values both among the subject merchandise and among the articles in the domestic like product. Further, one of the issues presented in these investigations is whether the domestic industry has begun producing and selling more of the higher-valued products within the domestic like product, and, if so, the extent to which this is due to the effects of the subject imports or other factors.”); Certain Off-the-Road Tires from China, Invs. Nos. 701-TA-448 and 731-TA-1117 (Final), USITC Pub. 4031 at 15 (Aug. 2008); and Certain Lined Paper School Supplies from China, India, and Indonesia, Invs. Nos. 701-TA-442 to 443 and 731-TA-1095 to 1097(Final), USITC Pub. 3884 at 19 (Sept. 2006) (“We typically rely on
(continued...)”).

quantity measurements to measure volume in the preliminary phase of these investigations, unless otherwise noted.

2. Demand Conditions

As indicated above, narrow woven ribbons are used in a variety of end-use applications. Berwick Offray reports having well over 20,000 customers for its narrow woven ribbons products.¹⁵² Respondents participating in the staff conference did not have a sense of the size of the U.S. narrow woven ribbons market or their sector's share of that market.¹⁵³ Although the record in the preliminary phase of these investigations reflects a large number of purchasers of narrow woven ribbons, a relatively limited number of firms account for a sizeable portion of the largest purchases.¹⁵⁴

According to questionnaire responses in the preliminary phase of these investigations, demand for narrow woven ribbons is largely determined by the overall economy and fashion trends.¹⁵⁵ Whereas respondents assert that the domestic industry is facing a serious and extended recession,¹⁵⁶ petitioner disagrees.¹⁵⁷ When asked how overall demand for narrow woven ribbons has changed since January 2006, *** reported that demand has slightly increased, citing an increase in craft and scrap-booking projects and lower price points of narrow woven ribbons.¹⁵⁸ Berwick Offray reported that demand for narrow woven ribbons historically has not been affected by downturns in the economy because consumers tend to increase their at-home activities, such as craft projects using narrow woven ribbons, during economic recessions¹⁵⁹. *** reported that demand decreased since 2006. Importers gave varying

¹⁵¹ (...continued)

quantity-based measures of volume because value-based measures can be skewed by changes of product mix and the fact that, for subject imports, the unit values are of merchandise sold at LTFV Although the Commission has relied principally on value-based measurements in rare instances, those investigations involved variations in value among articles within the scope and/or domestic like product that were much larger than those present here. In those instances, measuring volume by units was particularly problematic, because value variations for different articles could differ by factors of as much as 100.”), aff'd on this point in Navneet Publications (India), Ltd. v. United States, 30 Int'l Trade Rep. 1430 (Ct. Int'l Trade Feb. 26, 2008) with, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1172-73 (Ct. Int'l Trade 1992) (noting the statute does not specify how volume is to be evaluated and the Commission's discretion in investigative methodology) (permissible to rely on value basis to evaluate import volumes); American Bearing Manufacturers Association v. United States, 350 F. Supp. 2d 1100, 1109 (Ct. Int'l Trade 2004) (“ITC's use of value-based indicators to evaluate volume in the context of a ball bearing investigation is consistent with its past practice.”), aff'g Ball Bearings from China, Inv. No. 731-TA-989 (Final), USITC Pub. 3593 (April 2003).

¹⁵² See, e.g., Confer. Tr. at 66 (Shea for Berwick Offray).

¹⁵³ See, e.g., Confer. Tr. at 188-89 (Mitchell for Michaels).

¹⁵⁴ For example, in 2008, the largest importers of narrow woven ribbons from China were ***; from Taiwan were ***; and from all other sources were ***. See, e.g., CR at IV-1; PR at IV-1. Likewise, Berwick Offray, which accounted for *** percent of reported U.S. production of narrow woven ribbons in 2008, reported its top 10 customers since 2006 and estimated what share of its 2008 sales each accounted for as follows: ***. See, e.g., Berwick Offray's Domestic Producer Questionnaire Response at Answer to Question IV-23.

¹⁵⁵ See, e.g., CR at II-7; PR at II-5.

¹⁵⁶ See, e.g., Confer. Tr. at 130 (Vaughn), 189-90 (Bucklin, Icsman); Respondent Importers' Postconf. Br. at 20-21.

¹⁵⁷ See, e.g., Petitioner's Postconf. Br. at 25; Confer. Tr. at 68 (Shea).

¹⁵⁸ See, e.g., CR at II-7; PR at II-5.

¹⁵⁹ See, e.g., CR at II-7; PR at II-5.

responses about demand trends since 2006, with the largest portion of them reporting that demand decreased since 2006.¹⁶⁰

Whereas petitioner Berwick Offray asserts that demand for narrow woven ribbons is not seasonal,¹⁶¹ the Ribbon Retailers and Respondent Importers contend that demand is very seasonal, as reflected in trends in monthly import statistics. They assert that a large increase in narrow woven ribbons trade begins in July and builds in August and September as retailers move their merchandise through the supply chain in order to stock their shelves for Halloween, Thanksgiving, and the December holidays; merchandise received in the third quarter, they assert, is primarily sold in the fourth quarter. They acknowledge that there are other periods of increased narrow woven ribbons trade – with November, December, and January imports probably related to Valentine’s Day; February imports attributable to St. Patrick’s Day, Easter/Spring, and Mother’s Day; and a small build-up from April to May related to weddings and the Fourth of July. Nevertheless, they argue that the third-quarter activity is mountainous compared to the hills and valleys during the rest of the year. The Ribbon Retailers and Respondent Importers further assert that imports play a greater role in holiday/seasonal narrow woven ribbons, which, they contend, may explain why petitioner, who reports the majority of its business in “basic” ribbons, does not view the holiday season as a greater “bump” compared to other periods.¹⁶² We find that the pricing data reported in the preliminary phase of these investigations and *** reflect that seasonality does play a role in the U.S. narrow woven ribbons market.¹⁶³ We intend to explore this issue further in any final phase investigations, including the extent to which seasonality may limit the utility of data on interim periods, depending on the months involved.

Based on the record in the preliminary phase of these investigations, the value of apparent U.S. consumption increased from \$*** in 2006 to \$*** in 2007 and then decreased to \$*** in 2008; it was \$*** in interim 2008 and \$*** in interim 2009.¹⁶⁴ The value of apparent U.S. consumption declined overall by *** percent between 2006 and 2008, and was *** percent lower in interim 2009 than in interim 2008.¹⁶⁵ The value of U.S. producers’ U.S. shipments declined by *** percent from 2006 to 2008, as did U.S. imports from Taiwan and all other sources, by 6.0 percent and 15.7 percent, respectively. Over the same period, the value of U.S. imports from China increased by 24.6 percent. Whereas the domestic industry’s shipments and imports from Taiwan and all other sources declined each year, imports from China increased each year.¹⁶⁶

¹⁶⁰ Twenty-three of 54 responding importers reported that demand decreased since 2006, with most citing the recession and three citing a decrease in gift wrapping and scrap-booking trends that utilize narrow woven ribbons and an increased use of alternative packaging that does not use narrow woven ribbons (such as bags, pouches, and boxes). Ten importers reported that demand has increased, due to an increase in arts and crafts projects, design innovation, and lower prices. Ten importers report that there has been no change in demand, and seven reported that demand has fluctuated, following trends in the overall economy and fashion. Four importers reported that demand had been increasing since 2006 but has decreased since the recession. See, e.g., CR at II-7 to II-8; PR at II-5.

¹⁶¹ See, e.g., Confer. Tr. at 52 (Pajic).

¹⁶² See, e.g., Ribbon Retailers’ Postconf. Br. at Exh. 1 at 1-2; Respondent Importers’ Postconf. Br. at 21-24, Exh. 6; Confer. Tr. at 112 (Mitchell for Michaels), 128-29 (Vaughn for MNC Stribbons), 151-53 (Lodge for Liberty Ribbons), 152 (Bucklin for Costco).

¹⁶³ See, e.g., CR/PR at Tables V-1 to V-6 (showing fluctuations in quantities reported by quarter).

¹⁶⁴ See, e.g., CR/PR at Table IV-11.

¹⁶⁵ See, e.g., CR/PR at Table C-1.

¹⁶⁶ See, e.g., CR at IV-15; PR at IV-10; CR/PR at Table IV-9.

3. Supply Conditions

The U.S. market is supplied by domestic producers, subject imports, and a small share of imports from countries other than China and Taiwan. In terms of apparent U.S. consumption by value, the domestic industry's share of the U.S. market decreased from *** percent in 2006 to *** percent in 2007, and *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009.¹⁶⁷

In terms of subject imports, the market share for imports of subject merchandise from Taiwan, by value, decreased from *** percent in 2006 to *** percent in 2007 and then increased to *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009.¹⁶⁸ The market share for subject imports from China, by value, increased from *** percent in 2006 to *** percent in 2007 and to *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009.¹⁶⁹

The record compiled in the preliminary phase of these investigations indicates that no single non-subject country accounts for a substantial share of either U.S. imports or of the U.S. market as a whole. Indeed, the collective share of the U.S. market accounted for by non-subject imports, as measured by value, decreased from *** percent in 2006 to *** percent in 2007 and to *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009.¹⁷⁰ Both petitioner and respondents testified that the only noticeable source of non-subject imports during the period of investigation was Mexico, although they reported that imports from Mexico were considerably smaller than imports from either of the subject countries.¹⁷¹ Official import statistics corroborate this point, with Mexico as the leading source of non-subject imports (with less than 3 percent of total imports, by quantity and value, in 2008), followed by India and Korea (with less than 0.5 percent of total imports, by quantity and value, in 2008).¹⁷²

During the period of investigation, two producers accounted for the vast majority of domestic production, Berwick Offray and Schiff.¹⁷³ According to petitioner, the Offray brand was founded over 100 years ago. Petitioner asserts that Offray is one of the largest U.S.-produced lines and the broadest line of narrow woven ribbons in the world.¹⁷⁴ In March 2002, petitioner acquired substantially all of the narrow woven ribbons sales and manufacturing business and assets of C.M. Offray & Son, Inc. and its subsidiaries.¹⁷⁵ Petitioner integrated these assets, including the Offray and Lion Ribbon brands of ribbon, into a newly formed company, Lion Ribbon Company, Inc., a wholly owned subsidiary of Berwick Offray LLC.¹⁷⁶ Berwick Offray reported that narrow woven ribbons are first woven in its facility in South Carolina then sent in a jumbo roll to its facility in Mexico for spooling, or to its facility in Maryland to be dyed, printed, or packaged, and then sent either to its Maryland distribution center or to Mexico in a jumbo roll to be transfer printed and/or spooled then distributed from its distribution facility in El Paso, Texas.¹⁷⁷

¹⁶⁷ See, e.g., CR/PR at Table IV-11.

¹⁶⁸ See, e.g., CR/PR at Table IV-11.

¹⁶⁹ See, e.g., CR/PR at Table IV-11.

¹⁷⁰ See, e.g., CR/PR at Table IV-11.

¹⁷¹ See, e.g., Confer. Tr. at 53 (Shea), 219-20 (Wong). *** See, e.g., CR at V-4 at n.5; PR at V-2 at n.5.

¹⁷² See, e.g., CR at IV-9; PR at IV-5.

¹⁷³ Wm. Wright reported that it was a U.S. producer but ceased U.S. production in ***, after which it was *** an importer of narrow woven ribbons. See, e.g., CR at III-1; PR at III-1. U.S. producer *** reported that *** See, e.g., CR at III-1 at n.2; PR at III-1 at n.2.

¹⁷⁴ See, e.g., Petition, Vol. I at 2.

¹⁷⁵ See, e.g., Petition, Vol. I at 1.

¹⁷⁶ See, e.g., Petition, Vol. I at 1.

¹⁷⁷ See, e.g., CR at III-4; PR at III-3.

4. Interchangeability

Participants in the preliminary staff conference disagreed about the level of interchangeability among subject imports from China and Taiwan and narrow woven ribbons produced in the United States. Berwick Offray asserted that narrow woven ribbons are a commodity product, but witnesses for respondents argued that narrow woven ribbons respond to changing style and fashion trends.¹⁷⁸ In response to the Commission's questionnaires, *** of the domestic producers and a majority of the importers that compared narrow woven ribbons from China and Taiwan with those from the United States reported that they are always or frequently interchangeable. Moreover, a majority of importers and *** of the domestic producers reported that subject imports from China are always or frequently interchangeable with subject imports from Taiwan.¹⁷⁹ In addition, *** of the responding U.S. producers reported that differences other than price between subject imports and the domestic like product are only sometimes a significant factor. Responses from importers, however, were more mixed, with slightly more than half of responding importers reporting that differences other than price between U.S.-produced narrow woven ribbons and subject imports are only sometimes or never a significant factor.¹⁸⁰

Respondents argued that Berwick Offray is unable to provide U.S. retailers with attractive, distinctive narrow woven ribbons with fresh, exciting, or cute styles, designs, texture, or fabrication necessary to secure these discretionary purchases from what they contend are discerning and generally female customers.¹⁸¹ Yet, when asked at the staff conference whether any of these firms had ever requested Berwick Offray to meet their requirements on custom designs or small-volume orders and were refused, none provided a specific example.¹⁸² Some respondents reported service problems with Berwick Offray such as ***),¹⁸³ and some importers reported experiencing product availability, product range, service, and quality differences between subject imports and the domestic like product.¹⁸⁴ Berwick Offray is not aware of any situation in which it had to turn away an order for narrow woven ribbons because it was unable to match a color or because it was unable to manufacture what the customer wanted.¹⁸⁵ It insists that the company has the capability to make any narrow woven product and claims that it uses modern, efficient weaving machines, has up-to-date dyeing, printing, and converting technologies, has an extensive and talented design group, and has relationships with other design studios.¹⁸⁶ We find that the current record indicates that subject imports from China and Taiwan are at least moderately interchangeable with the domestic like product.¹⁸⁷ We intend to explore this issue further in any final phase investigations.

¹⁷⁸ Compare, e.g., Confer. Tr. at 37-38 (Pajic) with, e.g., Confer. Tr. at 124-25 (Freebern for Hobby Lobby).

¹⁷⁹ See, e.g., CR/PR at Table II-2.

¹⁸⁰ See, e.g., CR/PR at Table II-3.

¹⁸¹ See, e.g., Ribbon Retailers' Postconf. Br. at 14-18.

¹⁸² See, e.g., CR at II-11 at n.20; PR at II-7 at n.20; Confer. Tr. at 158 (Freebern), 160 (Vaughn), 161 and 183 (Mitchell and Icsman).

¹⁸³ See, e.g., Ribbon Retailers' Postconf. Br. at 7-10, Exhs. 7, 10, 11; Respondent Importers' Postconf. Br. at 6-15, Exh. 1-2; Confer. Tr. at 12-13 (Jacobs), 114-17 (Mitchell for Michaels), 122 (Icsman for Jo-Ann's), 126-27 (Freebern).

¹⁸⁴ See, e.g., CR at II-12, II-13; PR at II-8.

¹⁸⁵ See, e.g., Petitioner's Postconf. Br. at Exh. 1 at 1.

¹⁸⁶ See, e.g., Petitioner's Postconf. Br. at 14, 19-21; Confer. Tr. at 28-30 (Deese), 41 (Kerr), 46-49, 58 (Shea), 61, 81 (Kerr).

¹⁸⁷ See, e.g., CR/PR at Tables II-2, II-3; CR at II-12 to II-13; PR at II-8.

C. Likely Volume of Cumulated Subject Imports from China and Taiwan¹⁸⁸

In considering the likely volume of cumulated subject imports, we first examined volume trends during the period of investigation. We note that imports of narrow woven ribbons from China and Taiwan into the United States, like other textile products, were subject to various quotas until these two countries acceded to the World Trade Organization (“WTO”) on December 11, 2001 and January 1, 2002, respectively.¹⁸⁹ In 2005, the United States and China concluded a bilateral textile agreement (“U.S./China Bilateral Agreement”) that established new quotas for certain textiles produced or manufactured in China and exported to the United States after January 1, 2006. Narrow woven ribbons were one of a variety of products that were included as “Category 229” under the U.S./China Bilateral Agreement. These quotas expired on December 31, 2008.¹⁹⁰ Both petitioner and the Ribbon Retailers agree that China’s exports did not fill the quantitative quota on “Category 229” goods during the pendency of the U.S./China Bilateral Agreement.¹⁹¹ They disagree whether the volume of subject imports from China increased significantly after the expiration of the agreement, although they agree that the elimination of the quotas reduced some of the administrative burdens associated with exporting narrow woven ribbons from China.¹⁹² We find based on the current record that subject imports from China and Taiwan each have been present in the U.S. market in large volumes throughout the period of investigation, notwithstanding the changing status of the U.S./China Bilateral Agreement over this period.¹⁹³

In absolute terms, the volume of cumulated subject imports, by value, increased from \$62.0 million in 2006 to \$65.8 million in 2007, and then decreased to \$65.0 million in 2008, an overall increase of 4.7 percent.¹⁹⁴ Cumulated subject imports were 7.9 percent higher in interim 2009, at \$10.8 million, than in interim 2008, at \$10.0 million.¹⁹⁵ Official import statistics on the more narrowly defined HTSUS subcategories since 2008 also show increases in the cumulated volume of subject imports from China and Taiwan.¹⁹⁶ As noted earlier, however, domestic producers imported subject merchandise from China and Taiwan throughout the period of investigation and arranged imports of subject merchandise for other firms that acted as the importers of record, so at least a portion of these imports are related to the domestic

¹⁸⁸ Relevant to the likely volume of subject imports (19 U.S.C. § 1677(7)(F)(i)(I)), Commerce initiated its antidumping duty investigations based on estimated dumping margins ranging from 208.80 percent to 231.40 percent for narrow woven ribbons from China and based on estimated dumping margins ranging from 116.60 percent to 137.20 percent for subject imports from Taiwan. See, e.g., CR at I-5; PR at I-4. Commerce initiated its countervailing duty investigation on subject imports from China and indicated its intention to investigate one loan program, five grant programs, nine income and other direct tax programs, and three indirect tax and tax exemption programs. See, e.g., CR at I-4; PR at I-3 to I-4.

¹⁸⁹ See, e.g., Petition, Vol. I at 10.

¹⁹⁰ See Memorandum of Understanding Between the Governments of the United States of America and the People’s Republic of China Concerning Trade in Textile and Apparel Products (entered on Nov. 8, 2005), cited in Petition, Vol. I at 10, Exh. 6; CR at VII-5 to VII-6; PR at VII-5 to VII-6.

¹⁹¹ See, e.g., Ribbon Retailers’ Postconf. Br. at 19-20, Exh. 1 at 5; Petitioner’s Postconf. Br. at 26. The Ribbon Retailers assert that the Commission’s section 332 report on the status of the Textile report characterized the quota on category 229 as not “binding” because the Commission uses a quota-fill rate of 90 percent to identify a “binding quota” and the fill rates for category 229 were about 30 percent in 2006 and 2007 and less than 40 percent in 2008. See, e.g., Ribbon Retailers’ Postconf. Br. at 20.

¹⁹² Compare, e.g., Petitioner’s Postconf. Br. at 26-27 with, e.g., Ribbon Retailers’ Postconf. Br. at 19-21, Exh. 1 at 5-6.

¹⁹³ See, e.g., CR/PR at Table IV-9.

¹⁹⁴ See, e.g., CR/PR at Table C-1.

¹⁹⁵ See, e.g., CR/PR at Table C-1.

¹⁹⁶ See, e.g., CR/PR at Table IV-7.

industry's own activities. In any final phase investigations, we intend to explore the role of the domestic industry in importing or arranging for the importation of subject merchandise from China and Taiwan and its reason for doing so. We also intend to explore what respondents claim to be a recent trend whereby retailers are increasingly importing directly from the subject countries rather than sourcing their imports through Berwick Offray for an additional fee.¹⁹⁷

In terms of apparent U.S. consumption by value, the market share for cumulated imports of subject merchandise from China and Taiwan increased from *** percent in 2006 to *** percent in 2007 and *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009.¹⁹⁸ The domestic industry's share of the U.S. market, by value, decreased from *** percent in 2006 to *** percent in 2007 and *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009.¹⁹⁹ In terms of non-subject imports, their market share, by value, decreased from *** percent in 2006 to *** percent in 2007 and *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009.²⁰⁰

In addition to examining trends during the period of investigation, we usually analyze the likely future volume of cumulated imports in the context of expected demand in the imminent future. As noted previously, however, the parties disagree about demand projections, particularly the role that current economic conditions play on future consumption.

In terms of the foreign industries, although the Commission sent foreign producer questionnaires to 82 firms that were identified as possible producers/exporters of narrow woven ribbons in China and for which contact information was available, the Commission received completed questionnaires from only two producers of subject in merchandise in China²⁰¹. *** reported accounting for *** percent of total narrow woven ribbons production in China, whereas *** reported that its production was *** to estimate its share of production in China.²⁰² Based on their reported data, weaving and spooling capacity in China increased over the period of investigation and both measures of capacity were higher in interim 2009 than in interim 2008.²⁰³ Combined data for these two foreign producers also projected increases in weaving and spooling capacity.²⁰⁴ These producers collectively reported declining end-of-period inventories during the period of investigation and projected further declines in the imminent future.²⁰⁵ Their reported capacity utilization fell from *** percent in 2006 to *** percent in 2007 and *** percent in 2008, and they project *** capacity utilization in 2009 (*** percent) *** capacity utilization in 2010 (*** percent).²⁰⁶

Petitioner asserts that since the lifting of the U.S./China Bilateral Agreement, there has been a proliferation of producers and capacity in China.²⁰⁷ Petitioner provided information from company press reports and the Internet that it asserts show the construction of new narrow woven ribbons plants in China, purchases of new and improved equipment, new investments in subject facilities, and substantial

¹⁹⁷ See, e.g., Ribbon Retailers' Postconf. Br. at 4-14.

¹⁹⁸ See, e.g., CR/PR at Table IV-11.

¹⁹⁹ See, e.g., CR/PR at Table IV-11.

²⁰⁰ See, e.g., CR/PR at Table IV-11.

²⁰¹ See, e.g., CR at VII-6; PR at VII-6.

²⁰² See, e.g., CR at VII-7; PR at VII-6.

²⁰³ See, e.g., CR/PR at Table VII-3.

²⁰⁴ See, e.g., CR/PR at Table VII-3.

²⁰⁵ See, e.g., CR/PR at Table VII-3.

²⁰⁶ See, e.g., CR/PR at Table VII-3.

²⁰⁷ See, e.g., Confer. Tr. at 43-44 (Kerr).

existing capacity already in China.²⁰⁸ At this stage, it is difficult to draw conclusions from the fragments of available data on operations in China. The data available from the participating producers in China and submitted by petitioner indicate that capacity utilization in China has fallen during the period of investigation and that reporting producers in China are highly export-oriented.²⁰⁹

In contrast to the sparse data reported on narrow woven ribbons production operations in China, the Commission received questionnaire responses from 10 firms that reportedly collectively account for the majority of subject narrow woven ribbons production in Taiwan.²¹⁰ In terms of their weaving capacity, reporting producers in Taiwan reported increasing their capacity from 21.1 million square yards in 2006 to 22.1 million square yards in 2007 but decreasing their capacity to 20.1 million square yards in 2008, and they reported higher capacity levels in interim 2009 than in interim 2008.²¹¹ They collectively project lower capacity levels in 2009 and 2010 of 17.0 million and 14.9 million square yards.²¹² Their spooling capacity data were consistent with their weaving capacity data and followed similar trends.²¹³ In addition, producers in Taiwan reported declining capacity utilization levels that could be used to ship additional volumes of subject imports to the U.S. market in the imminent future.²¹⁴ Like their counterparts in China, the record indicates that producers in Taiwan are export-oriented.²¹⁵ Indeed, the U.S. market is the single largest destination for narrow woven ribbons produced in Taiwan.²¹⁶ As a ratio of their total shipments of narrow woven ribbons, exports to the U.S. market increased from 61.6 percent in 2006 to 62.8 percent in 2007 and 63.0 percent in 2008 and were 51.8 percent in both interim 2008 and interim 2009.²¹⁷ Producers in Taiwan *** also report some end-of-period inventories of narrow woven ribbons in Taiwan, ***.²¹⁸

According to questionnaire responses, U.S. importers held relatively large and increasing inventories of subject merchandise during the period of investigation,²¹⁹ and importers reported ordering additional quantities from China and Taiwan for delivery after April 2009.²²⁰ On the other hand, data reported in the preliminary phase of these investigations indicate that such inventory levels are relatively common in this industry. Domestic producers reported that *** percent of their narrow woven ribbons

²⁰⁸ See, e.g., Petitioner's Postconf. Br. at 32-33, Exh. 12; Confer. Tr. at 44, 50 (Kerr); Petition, Vol. I at 77-79, Exhs. 12, 16-22.

²⁰⁹ See, e.g., Petitioner's Postconf. Br. at 32-33, Exh. 12; Confer. Tr. at 44, 50 (Kerr); Petition, Vol. I at 77-79, Exhs. 12, 16-22.

²¹⁰ See, e.g., CR at VII-9; PR at VII-7.

²¹¹ See, e.g., CR/PR at Table VII-4.

²¹² See, e.g., CR/PR at Table VII-4.

²¹³ See, e.g., CR/PR at Table VII-4.

²¹⁴ Their reported capacity utilization fell from 94.0 percent in 2006 to 93.5 percent in 2007 and 85.0 percent in 2008; it was 56.6 percent in interim 2008 and 60.6 percent in interim 2009. Producers in Taiwan project capacity utilization of 68.3 percent in 2009 and 73.1 percent in 2010. See, e.g., CR/PR at Table VII-4.

²¹⁵ See, e.g., CR/PR at Table VII-4. There are no reported import barriers in third-country markets on narrow woven ribbons produced in China and Taiwan. See, e.g., CR at VII-13; PR at VII-10.

²¹⁶ See, e.g., CR/PR at Table VII-4.

²¹⁷ See, e.g., CR/PR at Table VII-4. Producers in Taiwan projected that exports to the United States would account for *** percent and *** percent of their total shipments of narrow woven ribbons in 2009 and 2010. See, e.g., CR/PR at Table VII-4.

²¹⁸ See, e.g., CR/PR at Table VII-4.

²¹⁹ See, e.g., CR/PR at Table VII-5. U.S. importers' end-of-period inventories of cumulated subject imports increased from 6.1 million square yards in 2006 to 7.0 million square yards in 2007, and 7.2 million square yards in 2008, and were 7.2 million square yards in interim 2008 and 7.0 million square yards in interim 2009. *Id.*

²²⁰ See, e.g., CR/PR at Table VII-6.

are sold from inventory, with lead times ranging from ***.²²¹ A majority of importers of narrow woven ribbons from China reported that most or all of their sales are from inventory, with most lead times ranging from one day to two weeks.²²² Nearly all of the importers of narrow woven ribbons from Taiwan reported that most or all of their sales are from inventory, with most lead times ranging from one day to two weeks.²²³

Based on the above discussion, we find for purposes of these preliminary determinations that cumulated subject imports from China and Taiwan have had and will likely continue to have a substantial presence in the U.S. market for narrow woven ribbons. We are unable to determine on this record, however, whether a substantial increase in the volume of cumulated subject imports from China and Taiwan is likely in the imminent future. Although it was asserted that the volume of subject imports would likely increase due to the expiration of the U.S./China Bilateral Agreement and because certain *** purchasers are likely to shift their purchases from domestic narrow woven ribbon to subject imports now that the purchasers are making direct imports of subject merchandise without assistance from Berwick Offray, the current record contains too little evidence to evaluate such arguments.

D. Likely Price Effects of the Subject Imports

In assessing the likely price effects of the subject imports, we consider pricing developments during the period of investigation and likely developments in the imminent future in light of key conditions of competition in the U.S. market.

Questionnaire respondents reported limited ability to substitute other products for narrow woven ribbons, with cut-edge ribbons being substitutable only for limited applications.²²⁴ Narrow woven ribbons account for approximately *** percent of the total cost of end uses such as crafts, home decor, and floral arrangements and for *** percent of the total cost of packaging applications according to ***. Importers reported that narrow woven ribbons can account for up to *** percent of the total cost of floral arrangements and home decor, and can account for *** percent of the cost in apparel applications.²²⁵

The current record indicates that subject imports from China and Taiwan are at least moderately interchangeable with the domestic like product, as discussed above.²²⁶ Prices for narrow woven ribbons are determined using ***.²²⁷ Domestic producers' sales are *** made through short-term contract sales (*** percent of *** sales) or spot sales (*** percent of *** sales), whereas the vast majority of importers of subject merchandise from China and Taiwan reported that all or nearly all of their sales are on a spot basis.²²⁸ In this industry, discounts and some form of markdown support to retailers (*i.e.*, incurring at least some of the cost to clear out existing inventory on the shelves of retail space, including the supplier's own product) are not unusual.²²⁹

The Commission collected quarterly pricing data for six narrow woven ribbons products.²³⁰ Usable pricing data provided by *** domestic producers accounted for *** percent of the value of

²²¹ See, e.g., CR at II-1; PR at II-1.

²²² See, e.g., CR at II-1; PR at II-1.

²²³ See, e.g., CR at II-1; PR at II-1.

²²⁴ See, e.g., CR at II-8 to II-9; PR at II-6.

²²⁵ See, e.g., CR at II-9 to II-10; PR at II-6.

²²⁶ See, e.g., CR/PR at Tables II-2, II-3; CR at II-12 to II-13; PR at II-8.

²²⁷ See, e.g., CR/PR at Table II-2; CR at V-2; PR at V-2.

²²⁸ See, e.g., CR at V-3; PR at V-2.

²²⁹ See, e.g., CR at V-3; PR at V-2.

²³⁰ See, e.g., CR at V-4; PR at V-2 to V-3.

domestic producers' U.S. commercial shipments during the period of investigation. *** importers of narrow woven ribbons from China provided pricing data that accounted for *** percent of the value of U.S. shipments of subject imports from China during the period, and *** importers of narrow woven ribbons from Taiwan provided pricing data that accounted for *** percent of the value of U.S. shipments of subject imports from Taiwan during the period.²³¹ Based on these data, subject imports undersold the domestic like product in *** of *** possible quarterly pricing comparisons by margins ranging from *** percent to *** percent and averaging *** percent.²³²

Notwithstanding this widespread underselling of the domestic like product by subject imports from China and Taiwan, the current record does not support a finding of likely significant price depression or suppression. For each of the six products, the prices of domestically produced narrow woven ribbons fluctuated during the period investigation, with weighted-average sales prices for product 1 and product 2 produced in the United States decreasing overall between the first quarter of 2006 and the first quarter of 2009, and with weighted-average sales prices for the other pricing products produced in the United States remaining relatively flat or increasing overall between the first quarter of 2006 and the first quarter of 2009.²³³ By comparison, the weighted-average sales prices for products 1, 3, and 5 imported from China fluctuated but increased overall during this period, whereas the weighted-average sales prices for the other pricing products imported from China decreased overall.²³⁴ The weighted-average sales prices for products 1 and 2 imported from Taiwan decreased overall during the period of investigation whereas the weighted-average sales prices for the other pricing products imported from Taiwan increased overall.²³⁵ Regarding possible suppression of prices, the domestic industry's COGS as a share of net sales declined from *** percent in 2006 to *** percent in 2007 before increasing *** to *** percent in 2008; the ratio was *** percent in interim 2008 and *** percent in interim 2009.²³⁶ Based on this record, we do not find that the domestic industry is experiencing a significant price/cost squeeze or that prices are being significantly suppressed relative to costs.

The domestic producers submitted a number of lost sales and lost revenue allegations. Very few of these allegations were confirmed, although a large number of purchasers failed to respond to these allegations.²³⁷

Thus, although cumulated subject imports from China and Taiwan are likely to continue to undersell the domestic like product, we cannot conclude based on the current record that subject imports from China and Taiwan would enter at prices that are likely to have significant adverse effects on U.S. prices and likely to increase demand for subject imports relative to domestic consumption and production in the imminent future.

We understand that in the preliminary phase of these investigations, several firms had difficulty reporting pricing data in square yards and data from many of the firms that staff deemed usable were based on estimates. As noted in the staff report, unit prices for some of the pricing products ranged widely by firm,²³⁸ and it is not clear on this record whether this is partly attributable to product-mix issues (especially with regard to pricing products defined to include narrow woven ribbons both with and without embellishments), firms' inaccuracy in unit conversion, or firms' estimation errors. Moreover, *** were unable to report requested purchase prices from U.S. producers and direct import purchase

²³¹ See, e.g., CR at V-4 to V-5; PR at V-3.

²³² See, e.g., CR/PR at Tables V-8.

²³³ See, e.g., CR/PR at Tables V-1 to V-6.

²³⁴ See, e.g., CR/PR at Tables V-1 to V-6.

²³⁵ See, e.g., CR/PR at Tables V-1 to V-6.

²³⁶ See, e.g., CR/PR at Table C-1.

²³⁷ See, e.g., CR/PR at Table V-9, Table V-10; CR at V-22, V-26 to V-28; PR at V-7 to V-8.

²³⁸ See, e.g., CR/PR at Tables V-4 to V-6.

prices from each of the subject countries. They each stated that they do not always know the country of origin of the products they purchase, even when the product is purchased from U.S. producer Berwick Offray, which supplies the retailers with both domestically produced and imported narrow woven ribbons.²³⁹ Michaels reported that it does not track inventory by the product categories as defined by the Commission's pricing products, but rather by spools described by limited product descriptions, which do not necessarily include the width or length.²⁴⁰

In any final phase investigations, we intend to collect pricing data on some products measured in square yards and on other products based on alternative units of measurement (such as "eaches" (or spools) of a specific width and length, or linear yards). For those firms that reportedly do not track their narrow woven ribbons purchases by country of origin, we intend to seek these retailers' total quarterly narrow woven ribbons purchases from each of their vendors over a specified period. We will also solicit input from the parties at the time draft final phase questionnaires are circulated concerning other ways to improve the utility of any pricing and trade data collected in the final phase of these investigations.

E. Likely Impact of the Subject Imports on the Domestic Industry

During the period of investigation, performance indicators for the domestic narrow woven ribbons industry fluctuated, registering mixed gains and losses. The ***.²⁴¹ Whereas the overall industry reported fairly stable operating margins between 2006 and 2008 and a higher operating margin in interim 2009 than in interim 2008, the record also reflected ***.²⁴²

The domestic industry's production increased from *** square yards in 2006 to *** square yards in 2007 but then decreased to *** square yards in 2008; it was *** square yards in interim 2008 and *** square yards in interim 2009.²⁴³ The domestic industry's U.S. shipments by quantity and by value followed different trends, declining between 2006 and 2007 but increasing between 2007 and 2008; U.S. shipments by quantity and value were higher in interim 2008 than in interim 2009.²⁴⁴

During this period, the domestic industry's market share, by value, declined progressively, from *** percent in 2006 to *** percent in 2007 and *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009.²⁴⁵ Cumulated subject imports from China and Taiwan increased their share of the U.S. market, by value, in each of these periods, from *** percent in 2006 to *** percent in 2007 and *** percent in 2008; cumulated subject imports' market share was *** percent in interim 2008 and *** percent in interim 2009.²⁴⁶

The domestic industry's weaving capacity remained stable throughout the period of investigation, at *** in 2006, 2007, and 2008 and *** in interim 2008 and interim 2009.²⁴⁷ The domestic industry's

²³⁹ See, e.g., CR at V-5 at n.9; PR at V-3 at n.9

²⁴⁰ See, e.g., Confer. Tr. at 213 (Mitchell for Michaels).

²⁴¹ See, e.g., CR/PR at Table C-1, Table III-1.

²⁴² See, e.g., CR at VI-4; PR at VI-1.

²⁴³ See, e.g., CR/PR at Table III-2, Table C-1.

²⁴⁴ The domestic industry's U.S. shipments, by quantity, decreased from *** square yards in 2006 to *** square yards in 2007 but increased to *** square yards in 2008; they were *** square yards in interim 2008 and *** square yards in interim 2009. The domestic industry's U.S. shipments, by value, decreased from \$*** in 2006 to \$*** in 2007 and \$*** in 2008; they were \$*** in interim 2008 and \$*** in interim 2009. See, e.g., CR/PR at Table III-4, Table C-1.

²⁴⁵ See, e.g., CR/PR at Table IV-11.

²⁴⁶ See, e.g., CR/PR at Table IV-11.

²⁴⁷ See, e.g., CR/PR at Table III-2. The domestic industry's spooling capacity fluctuated during the period of investigation, ending *** percent lower in 2008 than in 2006, although there were ***. See, e.g., CR at III-3 to III- (continued...)

capacity utilization was relatively low throughout the period of investigation.²⁴⁸ Nevertheless, the ***,²⁴⁹ and the *** of unused capacity is attributable to ***.²⁵⁰

The domestic industry's end-of-period inventories were *** relative to its production, U.S. shipments, and total shipments, and increased between 2006 and 2007 and between 2007 and 2008; its inventories were higher in interim 2009 than in interim 2008.²⁵¹ On the other hand, *** of their sales are from inventory,²⁵² and ***.²⁵³ In addition, *** reported that ***.²⁵⁴

In terms of employment, the domestic industry employed fewer production and related workers ("PRWs") in 2008 than in 2006, and fewer in interim 2009 than in interim 2008.²⁵⁵ The majority of the decline in PRWs was reported by ***. Berwick Offray reported reducing its employment levels due to a variety of reasons including savings initiatives and targeted productivity improvements (*** PRWs), production shifts to its facility in Mexico (*** PRWs), and reductions in production volumes (*** PRWs).²⁵⁶ Hours worked and wages paid to PRWs increased between 2006 and 2007 but decreased between 2007 and 2008, whereas hourly wages declined between 2006 and 2007 and increased between 2007 and 2008.²⁵⁷ Productivity progressively increased between 2006 and 2008, whereas unit labor costs progressively declined over this period.²⁵⁸ ***.²⁵⁹

The domestic industry's total net sales, by value, decreased throughout the period of investigation.²⁶⁰ Due to ***,²⁶¹ the domestic industry remained profitable throughout the period of investigation.²⁶²

²⁴⁷ (...continued)

4; PR at III-3; CR/PR at Table III-3.

²⁴⁸ The domestic industry's capacity utilization increased from *** percent in 2006 to *** percent in 2007 but then declined to *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009. See, e.g., CR/PR at Table C-1.

²⁴⁹ Capacity utilization reported by Berwick Offray ranged from ***, while Schiff reported *** ranging from ***. Berwick Offray reported that it had approximately *** looms but was currently only running roughly *** looms. See, e.g., CR at III-2 to III-3; PR at III-2; CR/PR at Table III-2.

²⁵⁰ See, e.g., CR at II-4 at n.8; PR at II-3 at n.8.

²⁵¹ See, e.g., CR/PR at Table III-5 (showing the domestic industry's end-of-period inventories increased from *** square yards in 2006 to *** square yards in 2007 and *** square yards in 2008; they were *** square yards in interim 2008 and *** square yards in interim 2009). As expressed as a ratio to production, U.S. shipments, and total shipments, the domestic industry's end-of-period inventories ***. See, e.g., CR/PR at Table III-5.

²⁵² See, e.g., CR at II-1, III-9; PR at II-1, III-4.

²⁵³ See, e.g., CR at III-9; PR at III-4.

²⁵⁴ See, e.g., CR at III-9; PR at III-4.

²⁵⁵ See, e.g., CR/PR at Table III-7.

²⁵⁶ See, e.g., CR at III-13 to III-14; PR at III-6.

²⁵⁷ See, e.g., CR/PR at Table III-7.

²⁵⁸ See, e.g., CR/PR at Table III-7.

²⁵⁹ See, e.g., CR at III-14; PR at III-6.

²⁶⁰ Net sales, by value, decreased from \$*** in 2006 to \$*** in 2007, and \$*** in 2008 and were \$*** in interim 2009 compared to \$*** in interim 2008. See, e.g., CR/PR at Table VI-1.

²⁶¹ See, e.g., Table C-1.

²⁶² The domestic industry reported operating profits of \$*** in 2006, \$*** in 2007, and \$*** in 2008, and its operating profits were \$*** in interim 2008 and \$*** in interim 2009. See, e.g., CR/PR at Table VI-1. The domestic industry's operating income as a ratio to net sales was *** percent in 2006 and 2007 and then increased to *** percent in 2008; it was *** percent in interim 2008 and *** percent in interim 2009. See, e.g., CR/PR at Table (continued...)

In addition to the factors already discussed above (such as the domestic industry's imports and arranged imports of subject merchandise and respondents' allegations concerning the domestic industry's ability to supply innovative designs and meet service needs), we have considered whether there are other factors that will likely have an imminent impact on the domestic industry. Although non-subject imports were sold in the U.S. market throughout the period of investigation, their presence was very small and declining, as discussed above. We also examined respondents' contention that Berwick Offray's scattered design, production, and distribution facilities (in New Jersey, South Carolina, Maryland, Mexico, and Texas) resulted in cost inefficiencies²⁶³. ***²⁶⁴ Moreover, the domestic industry has undertaken a number of steps to reduce its costs and increase its efficiency over the years.²⁶⁵

For purposes of these preliminary phase investigations and based on the current record, we do not find that the domestic industry is vulnerable. We find, based on this record, only limited correlation between subject import volumes and the condition of the domestic industry. We intend to examine closely these causation issues and other issues identified in any final phase investigations. Given, however, the limited information on the record regarding foreign production operations in China and recent reports of actions by retailers to switch to direct imports of narrow woven ribbons, and that some of the data deficiencies identified above could be remedied in any final phase investigations, we are unable to conclude that the record establishes clear and convincing evidence that there is no reasonable indication of a threat of material injury by reason of subject imports. Accordingly, we find for purposes of these preliminary determinations a reasonable indication that the domestic narrow woven ribbons industry is threatened with material injury by reason of cumulated subject imports from China and Taiwan.

CONCLUSION

For the above-stated reasons, and based on the record in the preliminary phase of these investigations, we find that there is a reasonable indication that the domestic industry producing narrow woven ribbons is threatened with material injury by reason of subject imports from China and Taiwan that are allegedly sold in the United States at less than fair value, and imports of narrow woven ribbons from China that are allegedly subsidized by the Government of China. Due to a lack of reliable information in these investigations on specific issues discussed above, we cannot conclude that the record as a whole contains clear and convincing evidence that there is no threat of material injury and no likelihood exists that contrary evidence will arise in any final phase investigations. See American Lamb Co. v. United States, 785 F.2d at 1001-04.

²⁶² (...continued)
C-1.

²⁶³ See, e.g., Confer. Tr. at 138-39 (Lodge); Respondent Importers' Postconf. Br. at 15-17.

²⁶⁴ See, e.g., Petitioner's Postconf. Br. at 21-23.

²⁶⁵ See, e.g., Petitioner's Postconf. Br. at 23; Confer. Tr. at 28-30 (Deese), 44 (Kerr). In any event, the statute does not permit the Commission to decline to find a material adverse impact by subject imports simply because the industry is not "good enough" to deserve relief – instead the inquiry centers on determining whether there is, or will likely be, an adverse impact by subject imports that is material. As the Court of International Trade has acknowledged, "{u}nderlying the vulnerability analysis is the principle that the foreign industry {and therefore the Commission} must 'take the industry as {it} finds it.'" Committee for Fair Beams Imports v. United States, 27 CIT 932, 961 (2003) (quoting Hosiden Corp. v. Advanced Display Mfrs. of America, 85 F.3d 1561, 1569 (Fed. Cir. 1996)).

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by Berwick Offray LLC and its wholly-owned subsidiary Lion Ribbon Company, Inc., Berwick, PA, on July 9, 2009, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of narrow woven ribbons with woven selvedge (“narrow woven ribbons”)¹ from China and LTFV imports of narrow woven ribbons from Taiwan. Information relating to the background of the investigations is provided below.²

Effective date	Action
July 9, 2009	Petition filed with Commerce and the Commission; institution of Commission's investigations (74 FR 34362, July 15, 2009)
July 30, 2009	Commission's conference ¹
August 6, 2009	Commerce's notice of antidumping duty investigations initiation (74 FR 39291); Commerce's notice of countervailing duty investigation initiation (74 FR 39298)
August 21, 2009	Commission's vote
August 24, 2009	Commission's determinations transmitted to Commerce
August 31, 2009	Commission's views transmitted to Commerce
¹ A list of witnesses appearing at the conference is presented in app. B.	

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

Section 771(7)(B) of the Tariff Act of 1930 (the “Act”) (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and . . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--

¹ See the section entitled “The Subject Merchandise” in *Part I* of this report for a complete description of the merchandise subject to these investigations.

² *Federal Register* notices cited in the tabulation are presented in app. A.

In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.

...

In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether . . . (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

...

In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to

...

(I) actual and potential declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

Organization of the Report

Part I of this report presents information on the subject merchandise, alleged subsidy and dumping margins, and domestic like product. *Part II* of this report presents information on conditions of competition and other relevant economic factors. *Part III* presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. *Parts IV and V* present the volume and pricing of imports of the subject merchandise, respectively. *Part VI* presents information on the financial experience of U.S. producers. *Part VII* presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

U.S. MARKET SUMMARY

Narrow woven ribbons are generally used as embellishments to apparel, home furnishings, decorative packaging, and crafts. The leading U.S. producers of narrow woven ribbons that account for the vast majority of U.S. production are Berwick Offray and Lawrence Schiff Silk Mills, Inc. ("Schiff"), while leading producers of narrow woven ribbons outside the United States include Yama Ribbons & Bows Co. and Sanding Ribbon Group of China and Rong Shu Industry Corp., Shienq Huong Enterprise Co., Ltd., and King Young Enterprise, Co., Ltd. of Taiwan.³ The leading U.S. importers of narrow woven ribbons from China are ***, while the leading importers of narrow woven ribbons from Taiwan are ***.

³ Conference transcript, p. 218 (Vaughn).

Leading importers of narrow woven ribbons from nonsubject sources (primarily Mexico and the European Union) include ***.

Apparent U.S. consumption of narrow woven ribbons totaled approximately \$*** in 2008. U.S. producers' U.S. shipments of narrow woven ribbons totaled \$*** (*** square yards) in 2008, and accounted for *** percent of apparent U.S. consumption by value. U.S. imports from subject sources totaled \$65.0 million in 2008 and accounted for *** percent of apparent U.S. consumption by value. U.S. imports from nonsubject sources totaled \$5.2 million in 2008 and accounted for *** percent of apparent U.S. consumption by value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in the investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of two firms that accounted for virtually all U.S. production of narrow woven ribbons during 2008. U.S. imports are based on responses to the Commission's U.S. importer questionnaires by 74 companies, including virtually all of those believed to be leading importers.

PREVIOUS AND RELATED INVESTIGATIONS

Narrow woven ribbons have been the subject of no prior countervailing or antidumping duty investigations in the United States.

NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged Subsidies

On August 6, 2009, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigation on narrow woven ribbons from China.⁴ The following government programs in China were identified:

- Loan Programs
 - Policy Loans to Narrow Woven Ribbon Producers From State-Owned Commercial Banks
- Grant Programs
 - The State Key Technology Renovation Project Fund
 - Famous Brands Program
 - Export Assistance Grants
 - Export Interest Subsidy Funds for Enterprises Located in Zhejiang Province
 - Technology Grants for Enterprises Located in Zhejiang Province
- Income and Other Direct Tax Programs
 - Preferential Tax Policies for Enterprises with Foreign Investment (“Two Free Three Half”) Program
 - Tax Subsidies to FIEs in Specially Designated Areas
 - Preferential Tax Policies for Export-Oriented FIEs
 - Corporate Income Tax Refund Program for Reinvestment of FIE Profits in Export-Oriented Enterprises
 - Local Income Tax Exemption and Reduction Programs for “Productive” FIEs
 - Tax Program for High or New Technology FIEs
 - Preferential Tax Policies for Township Enterprises
 - Preferential Tax Policies for Research and Development for FIEs

⁴ *Narrow Woven Ribbons With Woven Selvedge From the People's Republic of China: Initiation of Countervailing Duty Investigation*, 74 FR 39298, August 6, 2009.

- Tax Benefits for FIEs in Encouraged Industries that Purchase Domestic Equipment
- Indirect Tax and Tariff Exemption Programs
 - Import Tariff and VAT Exemptions for FIEs Using Imported Technology and Equipment
 - Import Tariff and VAT Exemptions for Certain Domestic Enterprises Using Imported Technology and Equipment
 - VAT Rebate for FIE Purchases of Domestically Produced Equipment

Alleged Sales at LTFV

On August 6, 2009, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigations on narrow woven ribbons from China and Taiwan.⁵ Commerce has initiated antidumping duty investigations based on estimated dumping margins ranging from 208.80 percent to 231.40 percent for narrow woven ribbons from China and 116.60 percent to 137.20 percent for narrow woven ribbons from Taiwan.

THE SUBJECT MERCHANDISE

Commerce's Scope

Commerce has defined the scope of its investigations as follows:⁶

The merchandise subject to the investigation is narrow woven ribbons with woven selvedge, in any length, but with a width (measured at the narrowest span of the ribbon) less than or equal to 12 centimeters, composed of, in whole or in part, man-made fibers (whether artificial or synthetic, including but not limited to nylon, polyester, rayon, polypropylene, and polyethylene terephthalate), metal threads and/or metalized yarns, or any combination thereof.^{7 8}

⁵ *Narrow Woven Ribbons with Woven Selvedge from the People's Republic of China and Taiwan: Initiation of Antidumping Duty Investigations*, 74 FR 39291, August 6, 2009.

⁶ *Narrow Woven Ribbons with Woven Selvedge from the People's Republic of China and Taiwan: Initiation of Antidumping Duty Investigations*, 74 FR 39291, August 6, 2009, and *Narrow Woven Ribbons With Woven Selvedge From the People's Republic of China: Initiation of Countervailing Duty Investigation*, 74 FR 39298, August 6, 2009.

⁷ The subject narrow woven ribbons may:

- Also include natural or other non-manmade fibers;
 - Be of any color, style, pattern, or weave construction, including but not limited to single-faced satin, double-faced satin, grosgrain, sheer, taffeta, twill, jacquard, or a combination of two or more colors, styles, patterns, and/or weave constructions;
 - Have been subjected to, or composed of materials that have been subjected to, various treatments, including but not limited to dyeing, printing, foil stamping, embossing, flocking, coating, and/or sizing;
 - Have embellishments, including but not limited to appliqué, fringes, embroidery, buttons, glitter, sequins, laminates, and/or adhesive backing;
 - Have wire and/or monofilament in, on, or along the longitudinal edges of the ribbon;
 - Have ends of any shape or dimension, including but not limited to straight ends that are perpendicular to the longitudinal edges of the ribbon, tapered ends, flared ends or shaped ends, and the ends of such woven ribbons may or may not be hemmed;
 - Have longitudinal edges that are straight or of any shape, and the longitudinal edges of such woven ribbon may or may not be parallel to each other;
 - Consist of such ribbons affixed to like ribbon and/or cut-edge woven ribbon, a configuration also known as an
- (continued...)

Tariff Treatment

Narrow woven ribbons are classifiable in the Harmonized Tariff Schedule of the United States (HTS) under subheading 5806.32.10 and reported for statistical purposes primarily, but not exclusively, under statistical reporting numbers 5806.32.1020, 5806.32.1030, 5806.32.1050, and 5806.32.1060.⁹ Prior to 2008, narrow woven ribbons were included in a residual or “basket” reporting category, HTS number 5806.32.1090, which included manmade fiber narrow woven fabrics of a width less than 30 centimeters,

⁷ (...continued)

“ornamental trimming;”

- Be wound on spools; attached to a card; hanked (i.e., coiled or bundled); packaged in boxes, trays or bags; or configured as skeins, balls, bateaus or folds; and/or
- Be included within a kit or set such as when packaged with other products, including but not limited to gift bags, gift boxes and/or other types of ribbon.

Narrow woven ribbons subject to the investigation include all narrow woven fabrics, tapes, and labels that fall within this written description of the scope of this investigation.

⁸ Excluded from Commerce’s scope are the following:

1. Formed bows composed of narrow woven ribbons with woven selvedge;
2. “Pull-bows” (i.e., an assemblage of ribbons connected to one another, folded flat and equipped with a means to form such ribbons into the shape of a bow by pulling on a length of material affixed to such assemblage) composed of narrow woven ribbons;
3. Narrow woven ribbons comprised at least 20 percent by weight of elastomeric yarn (i.e., filament yarn, including monofilament, of synthetic textile material, other than textured yarn, which does not break on being extended to three times its original length and which returns, after being extended to twice its original length, within a period of five minutes, to a length not greater than one and a half times its original length as defined in the Harmonized Tariff Schedule of the United States (HTSUS), Section XI, Note 13) or rubber thread;
4. Narrow woven ribbons of a kind used for the manufacture of typewriter or printer ribbons;
5. Narrow woven labels and apparel tapes, cut-to-length or cut-to-shape, having a length (when measured across the longest edge-to-edge span) not exceeding 8 centimeters;
6. Narrow woven ribbons with woven selvedge attached to and forming the handle of a gift bag;
7. Cut-edge narrow woven ribbons formed by cutting broad woven fabric into strips of ribbon, with or without treatments to prevent the longitudinal edges of the ribbon from fraying (such as by merrowing, lamination, sono-bonding, fusing, gumming or waxing), and with or without wire running lengthwise along the longitudinal edges of the ribbon;
8. Narrow woven ribbons comprised at least 85 percent by weight of threads having a denier of 225 or higher;
9. Narrow woven ribbons constructed from pile fabrics (i.e., fabrics with a surface effect formed by tufts or loops of yarn that stand up from the body of the fabric);
10. Narrow woven ribbon affixed (including by tying) as a decorative detail to non-subject merchandise, such as a gift bag, gift box, gift tin, greeting card or plush toy, or affixed (including by tying) as a decorative detail to packaging containing non-subject merchandise;
11. Narrow woven ribbon affixed to nonsubject merchandise as a working component of such non-subject merchandise, such as where narrow woven ribbon comprises an apparel trimming, book marker, bag cinch, or part of an identity card holder; and
12. Narrow woven ribbon(s) comprising a belt attached to and imported with an item of wearing apparel, whether or not such belt is removable from such item of wearing apparel.

⁹ In addition to the four statistical reporting numbers noted above that exclusively cover the subject ribbons, narrow woven ribbons are imported under statistical reporting numbers 5806.32.1080 (ribbons of manmade fibers (not polyester or nylon), with or without woven selvedge), 5810.92.9080, 5903.90.3090, and 6307.90.9889, as well as in several subheadings of the HTS including 5806.39.30 (narrow woven fabric, other fabric, of metalized yarn), 5806.31.00, 5806.32.20, 5806.39.20, 5808.90.00, 5810.91.00, 5810.99.90, 5903.90.10, 5903.90.25, and 5907.00.60. Narrow woven ribbons are covered by category 229 of the U.S. Textile and Apparel Category System by the U.S. Department of Commerce, Office of Textile and Apparel.

excluding typewriter ribbons.¹⁰ Table I-1 presents current *ad valorem* tariff rates for narrow woven ribbons.

Table I-1
Narrow woven ribbons: Tariff rates, 2009

HTS provision	Article description	General ¹	Special ²	Column 2 ³
		Rates (percent <i>ad valorem</i>)		
5806	Narrow woven fabrics, other than goods of heading 5807; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs):			
5806.32	Of man-made fibers			
5806.32.10	Ribbons:	6%	Free (BH,CA, CL,IL,JO, MX,OM, P,PE,SG) 1.2% (MA) 5.5% (AU) (⁴)	76.5%
	Other (<i>than typewriter ribbon</i>) :			
	Of a width not exceeding 12 cm:			
	Of polyester:			
	With woven selvedge:			
5806.32.1020	Containing wire in selvedge			
5806.32.1030	Other			
	Of nylon:			
	With woven selvedge:			
5806.32.1050	Containing wire in selvedge			
5806.32.1060	Other			
5806.32.1080	Other			
¹ Normal trade relations, formerly known as the most-favored-nation duty rate. ² Special rates not applicable when General rate is free. Products of China and Taiwan are not eligible for special duty rates and are thus dutied at the general rate. ³ Applies to imports from a small number of countries that do not enjoy normal trade relations duty status. ⁴ General note 3(c)(i) defines the special duty program symbols enumerated for this provision.				
Source: Harmonized Tariff Schedule of the United States (2009).				

¹⁰ Petitioner requested statistical breakouts of ribbon imports by width, fiber, and type of edge in 2006. The HTS classification applicable to subject narrow woven ribbons was modified in 2008. These changes in HTS classification for narrow woven ribbons preclude a presentation of comparable annual import data for the period for which data were collected (2006 through the first quarter of 2009).

THE PRODUCT

Description and Applications

Narrow woven ribbons with woven selvedge¹¹ are fabrics partially or wholly composed of manmade fibers and measuring less than or equal to 12 centimeters in width. They typically are used to adorn or embellish apparel, footwear, home furnishings, crafts, or floral arrangements; however, narrow woven ribbons also have functional uses and can be used to create articles such as hair bows, sashes, and to wrap packages.¹² Narrow woven ribbons are constructed with a woven selvedge that provides a durable, longitudinal seam, and are thus washable. They are often used in keepsake items such as scrapbooks because they do not fray easily and are colorfast by nature of their fiber content and dyeing process (discussed below). Industry sources indicate that narrow woven ribbons of manmade fiber are primarily composed of polyester or nylon yarn;¹³ however, narrow woven ribbons of other manmade yarn, such as acetate and rayon, are also included in the definition of this product.

Narrow woven ribbons are available in a variety of designs, widths, colors, and patterns. Different varieties are created by changing the weave pattern, color, fiber type, or embellishment. ***.¹⁴ A ribbon may be woven from yarn-dyed yarn or it may be woven from greige¹⁵ yarn and piece-dyed in woven form. In yarn-dyed ribbons, it is possible to create woven patterns such as stripes, jacquards, plaids, and embroidered designs. Common types of narrow woven ribbon include single- and double-face satin, grosgrain, picot, and sheer.¹⁶ In some instances, differing forms of narrow woven ribbons have specific uses. For example, single-face satin is often used to embroider apparel because the face of the ribbon is a smooth satin, while the reverse side is dull, can be sewn down, and will not slip or be visible in final use. Double-face satin is preferable where both sides of the ribbon will be visible, such as for sashes, hair bows, or home decor. Sheer ribbons are often woven with wire in the selvedge to impart body to the ribbon and help the ribbon to maintain its shape when fashioned into packaging bows. Sheer ribbons are frequently used in floral applications. Finally, grosgrain ribbons are bulkier and have a textured hand desirable for applications such as hair bows or in home decor where a shiny ribbon or slippage is undesirable.

U.S. producers of narrow woven ribbons generally distribute their products through retailers, sales to industrial end users (e.g., florists and confectioners), and distributors. Berwick Offray indicated that it does not sell directly to consumers.¹⁷ Petitioner also indicated that domestically produced narrow woven ribbons and imported narrow woven ribbons are used interchangeably by consumers, put up for retail sale via similar distribution channels, and in some cases marketed and sold in the same retail programs.¹⁸

¹¹ Selvedge is the narrow edge of woven fabric that runs parallel to the warp. It is made with stronger yarns in a tighter construction than the body of the fabric to prevent raveling. Textile terms, unless otherwise noted, are from Hoechst Celanese. *Dictionary of Fiber & Textile Technology*. Charlotte, NC: Product/Technical Communications Services, IZ 503, Hoechst Celanese Corporation, 1990.

¹² Staff telephone interview with ***.

¹³ ***.

¹⁴ ***.

¹⁵ Greige refers to unfinished yarn or fabric.

¹⁶ Information on different ribbon types and their respective uses from conference transcript, pp. 34-47 (Pajic).

¹⁷ Conference transcript, p. 38 (Pajic).

¹⁸ Conference transcript, p. 38 (Pajic).

Manufacturing Processes¹⁹

The manufacture of narrow woven ribbons can be broken down into five processes, specifically warping,²⁰ weaving, dyeing, embellishment, and spooling. However, not all narrow woven ribbons are necessarily embellished.

Manufacture of narrow woven ribbons begins with purchased greige yarn (both flat and textured), usually polyester or nylon monofilament. Reportedly, there is *** price differential in the U.S. market between nylon and polyester, though *** in other markets.²¹ Polyester typically has a smoother hand²² (as compared with acetate or nylon) and is better suited for use in ***. However, nylon is good for ***; it ***. Nylon is sometimes used in the ***²³ or ***.²⁴ In some instances, a manufacturer ***.

Yarn-dyed ribbons, which represent approximately ***²⁵ percent of total U.S. production, undergo an additional step prior to warping where the monofilament yarn is dyed, as opposed to greige ribbons that are dyed after weaving. Monofilaments to be yarn-dyed must first be re-spooled onto a dye tube containing holes that allow the dye bath to permeate the entire spool. Several dye tubes are placed on a dye rack, which is placed into a dye vat where the yarn is dyed and washed. After dyeing, the yarn is dried and transferred from the dye tubes to spools. During this transfer the yarn is coated with a lubricant to reduce friction, and to minimize lint and shedding during the downstream warping and weaving processes.

Before weaving, both greige and yarn-dyed yarn must be laid out on a warp beam.²⁶ The warp beam composition varies in thread count according to ribbon design. The warp forms the longitudinal yarn of narrow woven ribbons. After warping, the beams are placed on the looms and are ready for weaving. Depending on a ribbon's design, a loom can use several warp feeds to vary the texture and fiber composition of a ribbon (e.g., when forming a ribbon including metalized yarn, the wire feeds into the loom on a separate warp beam). Patterns, designs, and ribbon widths are created by varying warp composition.

Narrow woven ribbons are produced on specialized needle looms ***.²⁷ Narrow woven ribbons are woven *** strips per machine, depending on ribbon width. They must be woven with expected shrinkage of roughly *** percent between the loom and finishing. Production speed mainly depends on the complexity of the pattern of the ribbon. For example, a more complex pattern would be produced at a *** percent lower speed than a plain weave. Petitioner reports that all looms producing narrow woven ribbons are ***.²⁸

¹⁹ Information in this section, unless otherwise noted, is from conference transcript, pp. 20-31 (Deese).

²⁰ Warping is the operation of winding warp yarns onto a beam in preparation for weaving.

²¹ ***.

²² Hand refers to the tactile qualities of a fabric, e.g. softness, fineness, firmness, and other qualities perceived by touch.

²³ In a woven fabric, the weft or filling is the yarn running from selvedge to selvedge, perpendicular to the warp.

²⁴ ***.

²⁵ ***.

²⁶ A warp beam is a large cylinder around which the warp yarns, or ends, are wound in a uniform and parallel arrangement.

²⁷ ***.

²⁸ ***.

During weaving²⁹ one or more warp beams are fed into the loom. There are 3 basic operations of the loom during weaving, namely shedding, filling insertion, and beat-up. During shedding, cards on the loom separate the warp beam according to a programmed pattern. Then, a needle hooks through the warp beam carrying a filling yarn through to a latch hook to catch the filling yarn. After insertion, the filling yarn is “beat” into the fabric to keep the filling yarns parallel. Narrow woven ribbons are produced using ***.³⁰ ***.

Dyeing occurs in a continuous process where greige ribbons are washed, dried, dyed, and then washed and dyed once more. During dyeing, one to several ends of ribbon are fed through an accumulator, which winds ribbon vertically up and down through a series of cams to control the flow of ribbon through the machine at a steady pace. This also serves to keep the machine running at the end of the ribbon (by providing a steady pull) to reduce waste. ***.³¹

Greige ribbon is first de-sized in a pre-scour bath soap solution. Here, ribbons are washed to remove the lubricant applied to the monofilaments prior to weaving. The ribbon is wound up and down through the soap bath and then through a rinse before it is squeezed out and heated on drying cylinders.

After pre-scouring, the greige ribbon is dipped in a dye bath that covers the ribbons' surface with a dispersed, high energy, fiber specific dye. The dyes used are water-delivery based. After the dye bath, the ribbon passes through drying cylinders to remove excess moisture and then a gas-fired oven at *** degrees for roughly *** seconds. Polyester melts at 482 degrees, so the temperature ***.³² The pigment is absorbed into and inside the ribbon fiber. The color becomes deeper and changes after heating due to the energy transfer occurring in the oven. This method of dyeing polyester is highly colorfast. After dyeing, the ribbon passes through an after-scour bath which removes excess color to render the ribbon machine washable (to prevent bleeding). Darker colors, such as black, undergo more after-scour washes than lighter colors. The ribbon is then dried in a heated can stack. Finally, the ribbon is spun off the dye machine and ready for embellishment or final blocking.

Petitioner has separate dye lines for polyester and nylon. Dye formulas must be adjusted according to the different fiber type used. The process for nylon is slightly different than that described above for polyester. ***.³³

***.

The process for yarn-dyed ribbons varies slight from that of greige ribbons. After weaving, yarn-dyed ribbons are finished, a process that includes washing, de-sizing, drying, and ironing of the ribbon, prior to final spooling.

Prior to final spooling, narrow woven ribbons can be embellished using several techniques including flexoprinting, transfer printing, silkscreen printing, lacquer printing, or hot stamping. In flexoprinting, ribbon is continuously stamped with a film of metered-release ink by a flexible plate around a cylinder. In transfer printing, a sublimatic ink is flexoprinted on paper, and then the print is heat transferred to the ribbon. In this process, an employee feeds ribbon and paper together into a heated drum. The dye is vaporized and permeates the ribbon. This process uses similar dyes to those used in dyeing process, resulting in more permanent color. In lacquer printing, solvent-based lacquer paint is applied to face of ribbon through an open pattern in a method similar to stenciling. With silkscreen printing, paint is applied directly to ribbon through a silkscreen. Squeegees force paint through patterns. Silkscreen creates more of a texture and is more durable than lacquer print. After any of the printing

²⁹ The standard weaving process is summarized from, Collier, Billie J., and Phyllis G. Tortora. Understanding Textiles. 5th ed. Upper Saddle River, NJ: Prentice-Hall, Inc., 1997, pp. 257-269.

³⁰ ***.

³¹ ***.

³² ***.

³³ ***.

methods described above, the ribbon is heated to set and dry the paint. Finally, hot-stamping uses a metal plate to stamp a pattern on to the ribbon face from a roll of foil.

Dyed, finished, and embellished ribbons are typically spooled (blocked) once an order is received. Spooling can be done manually or automatically. The length of ribbon on a spool varies by customer and distribution method. Narrow woven ribbons are spun to a specific length on to a cardboard spool, flanges are glued to both sides of the spool, the package is labeled, and a plastic film is wrapped around the exposed ribbon to form a finished product. Berwick Offray moved some spooling operations to Mexico three to four years ago.³⁴ Today, roughly *** of its spooling capacity is located outside of the United States.³⁵

Petitioner reports that production processes for narrow woven ribbons are essentially standard worldwide.³⁶

DOMESTIC LIKE PRODUCT ISSUES

The Commission's decision regarding the appropriate domestic product(s) that are "like" the subject imported product is based on a number of factors including: (1) physical characteristics and uses; (2) common manufacturing facilities and production employees; (3) interchangeability; (4) customer and producer perceptions; (5) channels of distribution; and (6) price. Information regarding these factors is discussed below.

There are reportedly two primary types of ribbons: narrow woven ribbons (discussed above) and cut-edge ribbons.³⁷ The petitioner contends that there is one like product composed of all narrow woven ribbons with woven selvedge.³⁸ Respondents did not contest that "there is a narrow woven ribbon industry, as opposed to a cut-edge industry."³⁹ ***.⁴⁰ Liberty Ribbon was the only U.S. producer of cut-edge ribbons that provided a response to the U.S. producers' questionnaire. Liberty Ribbon ***.⁴¹

Cut-edge ribbons are produced by cutting broad woven fabric longitudinally into long strips.⁴² Cut-edge ribbons are not woven to width, and therefore not considered to be narrow woven ribbons.⁴³ To prevent the cut edges from fraying, one of two methods is used. A producer may cut the fabric with a hot knife, using heat to seal the edges as they are cut, rendering them less susceptible to fraying. Alternatively, a cut-edge ribbon producer may employ processes such as merrowing,⁴⁴ lamination, fusing, or waxing to prevent fraying. To achieve multi-thread effects or wired edges, cut-edge ribbons must be manufactured in multiple steps, as opposed to narrow woven ribbons that are woven on one loom in one

³⁴ Conference transcript, p. 63 (Shea).

³⁵ ***.

³⁶ Conference transcript, p. 41 (Kerr).

³⁷ Conference transcript, p. 31 (Pajic).

³⁸ Petitioner's postconference brief, p. 2.

³⁹ Conference transcript, p. 165 (Jacobs).

⁴⁰ ***.

⁴¹ Liberty Ribbon, U.S. producers' questionnaire, p. 2.

⁴² Petition, p. 3.

⁴³ Conference transcript, p. 31 (Pajic).

⁴⁴ Merrowing is tight-looped and continuously sewn thread (for example, in the case of wire sewn on the longitudinal sides of a cut-edge ribbon).

process. Cut-edge ribbons are often manufactured from acetate or polyester broad woven fabric.⁴⁵ Reportedly, acetate ***.⁴⁶

Physical Characteristics and Uses

Cut-edge ribbons are often used for seasonal decoration and in floral applications. They are considered somewhat disposable and intended for one time use.⁴⁷ They are not recommended for use in apparel or keepsake crafts, as the methods used to seal the seams are not as permanent as in narrow woven ribbons. Cut-edge ribbons typically are 2.5 inches (6.35 centimeters) or wider, whereas narrow woven ribbons are frequently less than two inches (5.08 centimeters) in width.⁴⁸ Further, cut-edge ribbons often are treated with a finish that gives the ribbons a stiff hand, as opposed to narrow woven ribbons which generally have a soft and flexible hand.⁴⁹

Manufacturing Facilities and Production Employees

The looms used to weave broad fabric for use in cut-edge ribbon production are different from the needle looms used to weave narrow woven ribbons. Broad looms weave fabrics of widths much greater than narrow needle looms,⁵⁰ ***.⁵¹ The two known U.S. producers of narrow woven ribbons manufacture *** cut-edge ribbons in domestic operations, and the one responding U.S. cut-edge ribbon producer submitting a questionnaire response reported that it produces *** narrow woven ribbons.⁵² Generally, there is no overlap in the looms and dyeing lines used in the manufacture of cut-edge and narrow woven ribbons. There could be some overlap in the machinery used to embellish cut-edge and narrow woven ribbons, particularly in terms of equipment used in printing and hot stamping. For example, ***,⁵³ although it produces *** cut-edge ribbons in its Leesville mill.⁵⁴ Liberty Ribbon reported ***.⁵⁵

Interchangeability

Reportedly, there is some overlap in use between cut-edge and narrow woven ribbons; both cut-edge and narrow woven ribbons can be used in floral applications, to wrap a package, or to decorate a home or office.⁵⁶ However, cut-edge ribbons are less durable by nature of their manufacturing process. As such, cut-edge ribbons often are used in single-use applications, as opposed to narrow woven ribbons which are colorfast and washable for applications such as apparel and home furnishings.⁵⁷

⁴⁵ Conference transcript, p. 77 (Shea).

⁴⁶ ***.

⁴⁷ Conference transcript, p. 33 (Pajic).

⁴⁸ Conference transcript, p. 32 (Pajic).

⁴⁹ Conference transcript, p. 32 (Pajic).

⁵⁰ Petition, p. 4.

⁵¹ ***.

⁵² ***.

⁵³ ***.

⁵⁴ ***.

⁵⁵ Liberty Ribbon's response to U.S. producers' questionnaire, section II-3.

⁵⁶ Conference transcript, p. 33 (Pajic).

⁵⁷ Berwick Offray LLC Web site. <http://www.offray.com/prod2.html> (accessed August 10, 2009).

Channels of Distribution

One U.S. producer of cut-edge ribbons, Liberty Ribbon, does not sell ribbons directly to consumers. According to its website, it does not manufacture stock items, it does not have any catalogs, and it does not maintain any inventories.⁵⁸ The other identified U.S. producer of cut-edge ribbons, Carson & Gebel Ribbon Company, also states on its website that its ribbons are only available through wholesale floral craft, and packaging distributors.⁵⁹

Domestically produced cut-edge ribbons were shipped to different channels of distribution than U.S.-produced narrow woven ribbons. Liberty Ribbon reported that *** percent of its 2008 quantity of U.S. shipments of cut-edge ribbons went to wholesalers or distributors, *** to retailers, and *** percent to industrial end-users. U.S. producers of narrow woven ribbons reported that *** percent of U.S. shipments were to wholesalers/distributors, *** percent to retailers, and *** percent to industrial end-users.

Price

In general, cut-edge ribbons cost less than narrow woven ribbons in retail outlets.⁶⁰ The reported average unit value of domestically produced cut-edge ribbons, which was \$*** per square yard in 2008, was lower than that of domestically produced narrow woven ribbons, at \$*** per square yard.

⁵⁸ Liberty Ribbon & Packaging, LLC Web site. <http://libertyribbon.com/id4.html> (accessed August 5, 2009).

⁵⁹ Carson & Gebel Ribbon Company Web site. <http://www.cgribbon.com/aboutcgribbon.html> (accessed August 5, 2009).

⁶⁰ Conference transcript, p. 34 (Pajic).

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

U.S. MARKET CHARACTERISTICS

Narrow woven ribbons may be constructed from various man-made fibers and include a range of different colors, styles, patterns, and weave constructions, including but not limited to single-faced satin, double-faced satin, grosgrain, sheer, taffeta, twill, and jacquard, among which single-faced satin is reportedly the most common weave of narrow woven ribbons in the U.S. market.¹ Narrow woven ribbons typically are sold on a spool and used for decorative purposes in applications such as floral arrangements, gift wrapping, packaging, scrap booking, and craft projects or for embellishment on apparel or handbags.²

U.S. producers reported that *** of their narrow woven ribbons are sold from inventory, with lead times ranging from *** to ***. The lead times on U.S. producers' sales produced to order range from ***. A majority of importers of narrow woven ribbons from China reported that most or all of their sales are from inventory, with most lead times ranging from one day to two weeks.³ Lead times on these importers' sales produced to order in China range from three weeks to four months. Nearly all of the importers of narrow woven ribbons from Taiwan also reported that most or all of their sales are from inventory, with most lead times ranging from one day to two weeks.⁴ Lead times on these importers' sales produced to order in Taiwan range mostly from one to three months.⁵

When firms were asked to list the geographic regions of the United States where they sell narrow woven ribbons, *** producers and *** of the importers reported that they served a nationwide market. Six importers of narrow woven ribbons from China reported selling to specific geographic regions, including the northeast, the Midwest, the West Coast, the northwest, the mid-Atlantic, and the southeast. Five importers of narrow woven ribbons from Taiwan reported selling to specific geographic regions, including the northeast, the West Coast, the Midwest, the northwest, and the southeast. *See* part IV for additional discussion on geographical markets.⁶

CHANNELS OF DISTRIBUTION

As shown in table II-1, the *** of U.S. producers' U.S. shipments of narrow woven ribbons were to ***, followed by shipments to ***. The majority of importers' U.S. shipments of narrow woven ribbons from China went to retailers, followed by shipments to industrial end users. The largest share of importers' U.S. shipments of narrow woven ribbons from Taiwan went to final consumers, followed by shipments to retailers.⁷

¹ Petition, p. 5; conference transcript, p. 34 (Pajic).

² Conference transcript, p. 74 (Pajic).

³ Of *** responding importers of narrow woven ribbons from China, *** reported lead times from inventory of *** and *** reported lead times of ***.

⁴ Of *** responding importers of narrow woven ribbons from Taiwan, *** reported lead times from inventory of *** and *** reported lead times of ***.

⁵ Of *** responding importers, *** reported lead times on sales produced to order in Taiwan of ***.

⁶ Geographical markets, as well as quantitative measures relating to fungibility and presence in the market, are discussed in the section of this report entitled "Cumulation Considerations" beginning on page IV-6.

⁷ The importers that sell to final consumers are themselves retailers that import directly.

Table II-1

Narrow woven ribbons: U.S. producers' and importers' U.S. shipments of narrow woven ribbons, by sources and channels of distribution, 2006-08, January-March 2008, and January-March 2009

Item	Period				
	2006	2007	2008	Jan.-Mar. 2008	Jan.-Mar. 2009
Share of reported shipments (percent)					
Domestic producers' U.S. shipments of narrow woven ribbons to:					
Wholesalers/distributors	***	***	***	***	***
Industrial end users	***	***	***	***	***
Retailers	***	***	***	***	***
Final consumers	***	***	***	***	***
U.S. importers' U.S. shipments of narrow woven ribbons from China to:¹					
Wholesalers/distributors	14.1	15.1	15.3	17.1	13.6
Industrial end users	25.8	27.5	23.4	21.8	18.4
Retailers	53.8	48.6	53.6	54.1	54.5
Final consumers	6.3	8.8	7.7	7.1	13.5
U.S. importers' U.S. shipments of narrow woven ribbons from Taiwan to:¹					
Wholesalers/distributors	12.6	12.5	14.4	12.6	16.4
Industrial end users	5.8	6.2	7.4	11.9	5.6
Retailers	38.2	37.4	33.0	38.5	31.3
Final consumers	43.4	43.9	45.2	37.0	46.8
U.S. importers' U.S. shipments of narrow woven ribbons from all other countries to:¹					
Wholesalers/distributors	16.7	16.0	16.9	14.3	10.5
Industrial end users	19.9	17.4	19.7	19.4	14.5
Retailers	50.4	51.7	41.6	41.8	37.5
Final consumers	13.0	14.9	21.8	24.6	37.6
¹ Percentages are calculated based on questionnaire responses that included usable data on U.S. shipments in square yards. Note.—Data for domestic producers include only U.S. commercial shipments. Source: Compiled from data submitted in response to Commission questionnaires.					

SUPPLY AND DEMAND CONSIDERATIONS

Supply

U.S. Supply

The supply response of U.S. producers to changes in price depends on such factors as the level of excess capacity, the availability of alternate markets for U.S.-produced narrow woven ribbons, inventory levels, and the ability to shift production to the manufacture of other products. The evidence indicates that the U.S. supply is likely to be relatively elastic, due primarily to the existence of unused capacity and inventories.

Industry capacity

U.S. producers' annual capacity utilization rates for narrow woven ribbons *** over the period for which data were collected, *** increasing from *** percent in 2006 to *** percent in 2007, before *** decreasing to *** percent in 2008 and *** percent in the first quarter of 2009. This level of capacity utilization indicates that the U.S. producers have unused capacity with which they could increase production of narrow woven ribbons in the event of a price change.⁸

Alternative markets

U.S. producers' exports, as a share of their total shipments, *** over the period for which data were collected, *** decreasing from *** percent in 2006 to *** percent in 2008 and to *** percent in the first quarter of 2009. These data indicate that the U.S. producers have a *** capability to divert shipments to or from alternative markets in response to changes in the price of narrow woven ribbons.

Inventory levels

U.S. producers' ratio of end-of-period inventories to total shipments increased from *** percent in 2006 to *** percent in 2008 and to *** in the first quarter of 2009. These data indicate that the U.S. producers *** to use inventories as a means of increasing shipments of narrow woven ribbons to the U.S. market.⁹

Production alternatives

U.S. producer *** reported that it ***.¹⁰ U.S. producer *** reported that it ***.

⁸ The *** of unused capacity is attributable to ***. ***.

⁹ A *** amount of the reported inventory levels is attributable to *** and constitutes ***. ***, therefore, is not completely flexible in its ability to use these inventories to increase its shipments.

¹⁰ ***.

Subject Imports from China

The responsiveness of supply of imports from China to changes in price in the U.S. market is affected by such factors as capacity-utilization rates and the availability of home markets and other export markets. These data for the substantial majority producers in China are unavailable.¹¹

Subject Imports from Taiwan

The responsiveness of supply of imports from Taiwan to changes in price in the U.S. market is affected by such factors as capacity-utilization rates and the availability of home markets and other export markets. Based on available information, producers in Taiwan have the capability to respond to changes in demand with moderate changes in the quantity of shipments of narrow woven ribbons to the U.S. market. The main contributing factors to the moderate degree of responsiveness of supply are the existence of unused capacity and some alternative markets.

Industry capacity

During the period of for which data were collected, the capacity-utilization rate for reporting producers in Taiwan of narrow woven ribbons decreased, from 94.0 percent in 2006 to 85.0 percent in 2008; it is projected to be 68.3 percent in 2009 and 73.1 percent in 2010.

Alternative markets

Available data indicate that producers in Taiwan have some ability to divert shipments to or from alternative markets in response to changes in the price of narrow woven ribbons. The share of shipments by producers in Taiwan that went to the United States slightly increased from 61.6 percent in 2006 to 63.0 percent in 2008; it is projected to be 67.8 percent in 2009 and 67.5 percent in 2010. The share of shipments by producers in Taiwan to export markets other than the United States slightly increased from 26.8 in 2006 to 27.2 percent in 2008; it is projected to be 23.5 percent in 2009 and 22.7 percent in 2010. The share of shipments by producers in Taiwan going to the home market decreased from 6.6 percent in 2006 to 5.0 percent in 2007, before increasing to 6.8 percent in 2008; it is projected to be 7.5 percent in 2009 and 8.6 percent in 2009. The share of internal consumption by producers in Taiwan decreased from 5.1 percent in 2006 to 3.0 percent in 2008; it is projected to be 1.2 percent in 2009 and 2010.

Inventory levels

Responding Taiwan producers' inventories, as a share of total shipments, slightly increased from 4.7 percent in 2006 to 4.8 percent in 2008; they are projected to be 5.0 percent in 2009 and 2010. These data indicate that producers in Taiwan may be limited in their ability to use inventories as a means of increasing shipments of narrow woven ribbons to the U.S. market.

Nonsubject Imports

Imports from nonsubject sources of narrow woven ribbons, as a share of the value of total U.S. imports of narrow woven ribbons, decreased from 9.0 percent in 2006 to 7.4 percent in 2008. Imports

¹¹ The data on capacity utilization, inventories, and alternative markets reported by producers in China have been deemed unreliable because ***. Petitioner ***. Petitioner's postconference brief, exh. 12.

from nonsubject sources accounted for 7.3 percent of the value of total imports in the first quarter of 2009.¹²

Demand

The existence of substitutes for narrow woven ribbons discussed below indicates that the demand for this product is likely to be relatively price inelastic. The demand for narrow woven ribbons is largely determined by the overall economy and fashion trends. When asked how the overall demand for narrow woven ribbons has changed since January 2006, *** reported that demand has slightly increased, citing an increase in craft and scrap booking projects and lower price points of narrow woven ribbons. Berwick Offray reported that demand for narrow woven ribbons has historically not been affected by downturns in the economy, citing consumers' increased propensity to engage in at-home activities during economic recessions, among which are craft projects that utilize narrow woven ribbons.¹³ *** reported that demand has decreased since 2006.

Twenty-three of 54 responding importers reported that demand has decreased since 2006, with most citing the recession and three citing a decrease in gift wrapping and scrap booking trends that utilize narrow woven ribbons and an increased use of alternative packaging that does not require narrow woven ribbons, such as bags, pouches, and boxes.¹⁴ Ten importers reported that demand has increased, due to an increase in arts and craft projects, design innovation, and lower prices.¹⁵ Ten importers reported that there has been no change in demand and seven reported that demand has fluctuated, following trends in the overall economy and fashion. Four importers reported that demand had been increasing since 2006, but has decreased since the recession.

Apparent U.S. consumption by value *** decreased by *** percent from 2006 to 2008 overall, *** increasing by *** percent from 2006 to 2007 before *** decreasing by *** percent from 2007 to 2008. Apparent U.S. consumption in the first quarter of 2009 is *** percent below the first quarter of 2008.

Business Cycles

When asked if the narrow woven ribbons market was subject to business cycles, U.S. producer *** reported that the narrow woven ribbons market was not subject to business cycles, while *** reported that sales peak from July through December. Twenty-seven responding importers reported that a business cycle exists in the market for narrow woven ribbons, with 20 specifically stating that sales peak in the second half of the year in a build-up for the Christmas season.¹⁶ Seventeen importers reported that there is no business cycle.¹⁷

¹² As discussed in Part IV, Mexico is reportedly the largest nonsubject source of imports of narrow woven ribbons. Conference transcript, p. 53 (Shea) and pp. 219-220 (Wong).

¹³ Conference transcript, p. 67 (Shea) and p. 70 (Pajic).

¹⁴ ***.

¹⁵ ***. *** of these importers reported that demand for narrow woven ribbons had increased with respect to ***.

¹⁶ ***. *** reported that *** percent of its sales occur in the second and third quarters and *** reported that *** of its sales are shipped in the third quarter. Petitioner contends that ***. Petitioner's postconference brief, p. 17. Based on questionnaire data, apparent U.S. consumption in January-March 2008 was equivalent to *** percent of apparent U.S. consumption for the full year, as measured by the value of U.S. shipments and imports.

¹⁷ ***.

Substitute Products

U.S. producers reported that substitutes for narrow woven ribbons include cut-edge ribbons for packaging and some floral applications, and labels and extruded ribbons and embossed-edge ribbons for packaging and some floral applications. *** reported that changes in the prices of these substitutes have affected the price for narrow woven ribbons, with *** stating that a price change may occur with a three- to six-month time lag and that if the price of narrow woven ribbons drops, they are usually preferred over the substitutes.

Fourteen importers reported that cut-edge ribbons can be substituted for narrow woven ribbons. When asked the degree of interchangeability between narrow woven ribbons and cut-edge ribbons, 24 importers reported that the interchangeability is limited, stating that cut-edge ribbons are not as durable, are not washable and thus cannot be used in apparel applications, can fray, and have a lower perceived value and quality than narrow woven ribbons.¹⁸ Eleven importers reported that cut-edge ribbons are not at all interchangeable with narrow woven ribbons, while six reported that they are fully interchangeable.

Other substitutes cited by importers included fabric, raffia and other natural materials, string, twine, leather, yarn, lace, tinsel, and garland. Twenty-four importers reported that changes in the prices of these substitutes have not affected the price for narrow woven ribbons, while eight importers reported that such price changes have affected the price for narrow woven ribbons.¹⁹

When asked the degree of interchangeability between narrow woven ribbons and ribbons made of non-man-made fabrics, *** reported that such ribbons have only recently been available, due to eco-friendly trends, and that they account for *** percent of the market. Additionally, 17 importers reported that ribbons made of non-man-made fabrics are fully interchangeable with narrow woven ribbons, while another 11 reported that they are somewhat interchangeable, dependent on consumer needs and preferences. Thirteen importers also noted that using ribbons made of non-man-made fabrics is cost-prohibitive, particularly with respect to linen and silk. Seven importers reported that such ribbons are not at all interchangeable with narrow woven ribbons.

Cost Share

*** reported that narrow woven ribbons account for approximately *** percent of the total cost of end uses such as crafts, home decor, and floral arrangements, and can account for *** percent of the total cost of packaging applications. Importers reported that narrow woven ribbons can account for up to *** percent of the total cost of floral arrangements and home decor, and can account for *** percent of apparel applications.

SUBSTITUTABILITY ISSUES

The degree of substitutability between domestic products and subject and nonsubject imports and between subject and nonsubject imports is examined in this section. The discussion is based upon the results of questionnaire responses from producers and importers.

Comparisons of Domestic Product and Subject Imports

In order to determine whether U.S.-produced narrow woven ribbons can generally be used in the same applications as imports from China and Taiwan, producers and importers were asked whether the products can “always,” “frequently,” “sometimes,” or “never” be used interchangeably. *** U.S.

¹⁸ ***.

¹⁹ ***.

producers reported that they are frequently interchangeable, as shown in table II-2. A majority of the importers that compared narrow woven ribbons from China and Taiwan with those from the United States reported that they are always or frequently interchangeable.

Table II-2

Narrow woven ribbons: Perceived degree of interchangeability of product produced in the United States and in other countries, by country pairs

Country comparison	U.S. producers				U.S. importers ¹			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. China	***	***	***	***	18	11	8	3
U.S. vs. Taiwan	***	***	***	***	15	11	7	4
U.S. vs. nonsubject countries:								
U.S. vs. Mexico	***	***	***	***	7	4	3	0
U.S. vs. Other ²	***	***	***	***	5	2	3	0
Subject country comparisons:								
China vs. Taiwan	***	***	***	***	19	11	3	1
¹ ***. ² These comparisons include, among others, one instance of narrow woven ribbons produced in Brazil (reported as “always” interchangeable); two instances of narrow woven ribbons produced in Thailand (reported once as “always” interchangeable and once as “sometimes” interchangeable); and two instances of narrow woven ribbons produced in Europe (reported once as “frequently” interchangeable and once as “sometimes” interchangeable). Note.—“A” = Always, “F” = Frequently, “S” = Sometimes, and “N” = Never. Source: Compiled from data submitted in response to Commission questionnaires.								

One importer that reported that narrow woven ribbons from U.S. producers are “never” interchangeable with imports from China stated that the imports from China are used in lower end applications. One importer that reported that narrow woven ribbons from U.S. producers are “never” interchangeable with imports from Taiwan stated that the quality and color of the product from Taiwan is superior to that of other suppliers. Another importer reported that Berwick Offray carries some sizes and patterns that are proprietary and are not available from other suppliers. Another importer reported that the quality of U.S.-produced narrow woven narrow ribbons does not meet its standards for use in apparel. Importer (***) reported that narrow woven ribbons with basic designs are interchangeable from any source, but that U.S. manufacturers are unable to produce custom designs.

When respondent retailers participating in the Commission’s staff conference were asked if they had ever requested Berwick Offray to meet their requirements on custom designs or small volume orders and were refused, none provided a specific example.²⁰

Berwick Offray reported that it can reproduce any color or design and ***.²¹ It also reports that the quality of narrow woven ribbons from any country source is comparable.²²

²⁰ Conference transcript, p. 158 (Freebern); p. 160 (Vaughn); pp. 161 and 183 (Mitchell); and p. 183 (Icsman).

²¹ Conference transcript, pp. 46-48 (Shea, Pajic). Petitioner’s postconference brief, exh. 1, p. 1.

²² Conference transcript, p. 70 (Shea).

As indicated in table II-3, *** of the responding U.S. producers reported that differences other than price are sometimes a significant factor in their sales of narrow woven ribbons. Responses from importers were mixed, with slightly more than half of responding importers reporting that differences other than price between U.S.-produced narrow woven ribbons and subject imports are sometimes or never a significant factor.

Table II-3

Narrow woven ribbons: Differences other than price between products from different sources¹

Country comparison	U.S. producers				U.S. importers ²			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. China	***	***	***	***	10	7	12	7
U.S. vs. Taiwan	***	***	***	***	10	7	10	8
U.S. vs. nonsubject countries:								
U.S. vs. Mexico	***	***	***	***	3	3	3	4
U.S. vs. Other ³	***	***	***	***	2	2	3	2
Subject country comparisons:								
China vs. Taiwan	***	***	***	***	6	7	15	8
¹ Producers and importers were asked if differences other than price between narrow woven ribbons produced in the United States and in other countries are a significant factor in their firms' sales of narrow woven ribbons. ² ***. ³ These comparisons include, among others, one instance of narrow woven ribbons produced in Thailand (reported as differences other than price "always" being significant) and two instances of narrow woven ribbons produced in Europe (reported once as differences other than price "always" being significant and once as differences other than price "sometimes" being significant). Note.—"A" = Always, "F" = Frequently, "S" = Sometimes, and "N" = Never. Source: Compiled from data submitted in response to Commission questionnaires.								

*** importers (***) reported that suppliers in China and Taiwan offer superior availability and product ranges over U.S. manufacturers. *** also reported that suppliers in China and Taiwan can provide ***. *** reported that the products designed by Berwick Offray "****".²³ It also reported that manufacturers in *** offer greater design innovation.²⁴ *** also reported that it experienced ***.²⁵ *** also reported that it has had quality problems with U.S. producers, namely with matching dye colors. Importer *** reported that it imports narrow woven ribbons ***. One importer reported that U.S.-produced narrow woven ribbons are sometimes of higher quality than imports from China, but that the lead times from China are superior.

²³ Respondents' postconference brief, p. 17 and exh. 6.

²⁴ Respondents' responses to additional questions, p. 5, August 4, 2009.

²⁵ Respondents' postconference brief, p. 17 and exh. 6.

Other Country Comparisons

In addition to comparisons between the U.S. product and imports from the subject countries, U.S. producer and importer comparisons between the U.S. product and imports from nonsubject countries and between subject imports and nonsubject imports are shown in tables II-2 and II-3. One importer reported that high-end narrow woven ribbons from Europe are not always interchangeable with the U.S. product. Another importer reported that European suppliers offer broader product ranges and superior custom designs than do U.S. producers. One importer reported that the quality of narrow woven ribbons from Taiwan is superior to that of imports from Europe. Two importers reported that they had experienced quality problems with narrow woven ribbons from Mexico, including color inconsistency and shipping errors.

PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the alleged subsidies and margin of dumping were presented earlier in this report and information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of two firms that accounted for the vast majority of U.S. production of narrow woven ribbons during 2008.¹

U.S. PRODUCERS

The Commission sent producer questionnaires to 15 U.S. companies identified in the petition and through independent staff research as possible U.S. producers of narrow woven ribbons. Out of these 15 companies, two provided useable data, two provided incomplete data,^{2 3} three certified that they had not produced narrow woven ribbons since January 1, 2006, and the remaining eight provided no response.^{4 5} WM Wright reported that it was a U.S. producer but ceased U.S. production in ***, after which it was *** an importer of narrow woven ribbons.⁶ Of the producers that provided useable data, petitioner (Berwick Offray) accounted for *** percent of U.S. production in 2008.

Presented in table III-1 is a list of current domestic producers of narrow woven ribbons and each company's position on the petition, production location(s), related and/or affiliated firms, and share of reported U.S. production of narrow woven ribbons in 2008.

¹ Petition, exh. 2, and conference transcript, p. 129 (Vaughn).

² U.S. producer *** reported that ***." Email from ***, August 4, 2009.

³ *** provided a response to the U.S. producers' questionnaire but it contained widespread inconsistencies, and so is excluded from the U.S. producers' data presented in this report.

⁴ *** provided a response to the U.S. producers' questionnaire, but later confirmed that it did not produce subject merchandise, but rather nonsubject narrow woven ribbons of a higher denier or containing only cotton. Staff telephone interview with ***.

⁵ *** reported that they did not produce narrow woven ribbons.

⁶ WM Wright response to the U.S. producers' questionnaire, section II-2.

Table III-1

Narrow woven ribbons: U.S. producers, positions on the petition, U.S. production locations, related and/or affiliated firms, and shares of 2008 reported U.S. production

Firm	Position on petition	U.S. production location(s)	Related and/or affiliated firms	Share of production (percent)
Berwick Offray ¹	Petitioner	Leesville, SC Hagerstown, MD	***	***
Lawrence Schiff Silk Mills, Inc.	***	Quakertown, PA	None	***
¹ Berwick Offray reported that it is a *** subsidiary of Paper Magic, which is in turn a *** subsidiary of CSS Industries, Inc. CSS Industries, 2009 Annual Report, p. 1. Berwick Offray also reported an administrative office in Berwick, PA, a sales and marketing office in Buck Lake, NJ, a distribution warehouse in El Paso, TX, and a spooling/conversion facility in Juarez, Mexico. Conference transcript, pp. 18-19 (Shea). Source: Compiled from data submitted in response to Commission questionnaires.				

As indicated in table III-1, *** of the U.S. producers are related to foreign producers of the subject merchandise, although Berwick Offray is related to ***. In addition, as discussed in greater detail below, *** U.S. producers directly import the subject merchandise, *** purchase the subject merchandise from U.S. importers, and *** purchase narrow woven ribbons from other domestic producers.⁷

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

U.S. producers' weaving capacity, production, and capacity utilization data for narrow woven ribbons are presented in table III-2. These data show that production capacity remained stable, while production fluctuated during the period for which data were collected.⁸ Capacity utilization likewise fluctuated over the over the same period, although it differed *** between the two responding U.S. producers. Capacity utilization reported by Berwick Offray ranged from a low of *** percent in 2006 to a high of *** then declined to *** percent in 2008, while Schiff reported *** ranging from *** in 2006 to *** percent in 2008. Berwick Offray reported that it had approximately *** looms, but was currently only running roughly *** looms.^{9 10}

Table III-2

Narrow woven ribbons: U.S. weaving capacity, production, and capacity utilization, 2006-08, January-March 2008, and January-March 2009

* * * * *

⁷ WM Wright, which ***, ceased production in *** and *** imported narrow woven ribbons.

⁸ *** reported ***.

⁹ Staff field trip report, Berwick Offray, July 16, 2009. In comparison, Schiff reported that it had *** looms. Schiff's response to U.S. producers' questionnaire, section II-11.

¹⁰ Respondents argued that Berwick Offray has adopted a production process that keeps capacity utilization artificially low, by dedicating looms to specific types of narrow woven ribbons rather than changing from style to style like subject foreign producers, resulting a large number of looms being idle at any given point in time. Conference transcript, p. 133 (Vaughn) and p. 139 (Lodge).

*** produced *** of domestically produced narrow woven ribbons, ranging from *** percent of total quantity of U.S. production in 2006 to *** percent in January-March 2009.¹¹

U.S. spooling capacity fluctuated during 2006-08, ending *** percent lower, though it too differed among the U.S. producers. Schiff reported its spooling capacity was steady ***, while Berwick Offray's U.S. spooling capacity declined between 2006 and 2008, and ranged from *** percent of its weaving capacity.¹² Likewise, in January-March 2009 Schiff reported steady capacity, while Berwick Offray reported a *** higher capacity than in January-March 2008.

Spooling capacity in other countries rose by *** percent during 2006-08, offsetting some of the decline in the U.S. spooling capacity, and was *** percent higher in January-March 2009 than in January-March 2008. Berwick Offray reported that it operated a maquiladora in Juarez, Mexico, that is primarily a converter which spools narrow woven ribbons that are woven, dyed and printed in the United States.¹³ The facility also performs a very small amount of transfer printing, equivalent to less than 5 percent of total printing done by Berwick Offray. The narrow woven ribbons spooled in Mexico are then distributed in the United States through Berwick Offray's distribution facility in El Paso, TX.¹⁴

Berwick reported that ***.¹⁵ Berwick reported narrow woven ribbons are first woven in its facility in South Carolina then sent in a jumbo roll to its facility in Mexico for spooling, or to its facility in Maryland to be dyed, printed, or packaged, and then sent either to its Maryland distribution center or to Mexico in a jumbo roll to be packaged.¹⁶ Berwick estimated that the operations performed at its facility in Mexico only contribute *** percent of the value of the finished product and *** percent of the cost of goods sold.¹⁷

U.S. producers' spooling capacity data used for U.S. producers' U.S. shipments for narrow woven ribbons are presented in table III-3 and in figure III-1.

Table III-3

Narrow woven ribbons: U.S. producers' spooling capacity, 2006-08, January-March 2008, and January-March 2009

* * * * *

Figure III-1

Narrow woven ribbons: U.S. producers' U.S. weaving capacity, spooling capacity, production, and capacity utilization, 2006-08, January-March 2008, and January-March 2009

* * * * *

¹¹ WM Wright reported ***.

¹² Berwick's total spooling capacity ranged from *** percent to *** percent of its weaving capacity.

¹³ Conference transcript, p. 62 (Shea).

¹⁴ Conference transcript, p. 82 (Deese).

¹⁵ Staff field trip report, Berwick Offray, July 16, 2009 and July 23, 2009.

¹⁶ Conference transcript, pp. 62-63 (Shea) and pp. 81-82 (Deese).

¹⁷ Petitioner's postconference brief, exh. 1, p. 9.

The Commission asked domestic producers to describe any plant openings, relocations, expansions, acquisitions, consolidations, closures, and prolonged shutdowns. WM Wright ceased U.S. production in ***, and reported that it became *** a U.S. importer of narrow woven ribbons.^{18 19} Schiff reported that ***.

The Commission asked domestic producers to describe the constraints that limit production capacity. Berwick Offray responded that its production capacity is limited by ***. *** of the U.S. producers reported producing other products on the same equipment and machinery, or same U.S. production and related workers used in the production of narrow woven ribbons.²⁰

U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of narrow woven ribbons are presented in table III-4. U.S. producers' U.S. commercial shipments, in terms of quantity, declined by *** percent during 2006-08. While Berwick Offray reported ***, Schiff reported ***. In terms of value, U.S. producers' U.S. commercial shipments declined by *** percent during 2006-08, with Berwick Offray reporting a decline of *** percent, and Schiff reporting a decline of *** percent. In terms of value, Berwick Offray reported ***, while Schiff reported ***.²¹

Table III-4

Narrow woven ribbons: U.S. producers' shipments, by types, 2006-08, January-March 2008, and January-March 2009

* * * * *

*** reported transfers to the related firm ***, while *** reported internal transfers. The internal transfers reported by ***, in terms of quantity and value, increased in 2007 by *** percent and *** percent, respectively, and then declined in 2008, by *** percent and *** percent, respectively. The transfers to related firms reported by *** increased in each year, ending in 2008 higher by *** percent and *** percent in terms of quantity and value, respectively. *** reported exports, although ***. Average unit values for total shipments and for U.S. commercial shipments declined between 2006 and 2008. The U.S. producers reported *** average unit values.

U.S. PRODUCERS' INVENTORIES

Table III-5, which presents end-of-period inventories for narrow woven ribbons, shows that inventories increased during 2006-08 and were higher in January-March 2009 compared with January-March 2009. *** reported that the *** of their sales are from inventory.²² ***. In addition, *** reported that ***.²³ *** reported that ***.²⁴ *** reported that ***.²⁵

¹⁸ "WM Wright Co. moving to Tennessee," cbs6albany.com, retrieved July 14, 2009.

¹⁹ WM Wright reported ***.

²⁰ Berwick Offray reported ***. *** response to U.S. producers' questionnaire, section II-3.

²¹ Schiff reported that ***. Email from ***, August 13, 2009.

²² Responses to the U.S. producers' questionnaire, IV-10.

²³ Email from ***, August 4, 2009.

²⁴ Staff field trip report, Berwick Offray, July 16, 2009 and Berwick's response to the U.S. producers' questionnaire.

²⁵ Berwick Offray reported inventory adjustments of ***.

Table III-5

Narrow woven ribbons: U.S. producers' end-of-period inventories, 2006-08, January-March 2008, and January-March 2009

* * * * *

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports and purchases of narrow woven ribbons are presented in table III-6. Berwick Offray noted that while it is capable of making virtually any narrow woven product in the United States,²⁶ it imported narrow woven ribbons primarily because prices are often below Berwick Offray's cost of production, and the competitive pressures necessitate providing the narrow woven ribbons at the lower price.²⁷ Berwick Offray also reported that ***.²⁸ Respondents argued that Berwick Offray has also served as a "middleman" for other U.S. imports of narrow woven ribbons from subject sources for which Berwick Offray does not serve as the importer of record.²⁹ In this capacity, Berwick Offray reportedly identifies products of interest to buyers, connects U.S. buyers to subject producers, handles logistic and administrative aspects, coordinates shipments to U.S. buyers, while the buyer serves as the importer of record and clears the subject merchandise for entry into the United States. Moreover, the Respondents argued that Berwick Offray is heavily involved in these import transactions from beginning to end, and charges the importer of record for these purchases.³⁰ Berwick Offray stated that while it does handle the paperwork, and does not act as importer of record for some imports of subject merchandise, it is capable of making any narrow woven ribbon, and prefers to make that product in the United States.³¹ In addition, Berwick Offray contended the actual volume of imports represented by these transactions is much smaller than implied by the Respondents, representing only ***.³² Berwick reported that of its total sales value, these transactions represented *** percent in 2006, *** percent in 2007 and *** percent in 2008.³³ Moreover, Berwick Offray argued that these transactions were "one-off seasonal buys, primarily for the December holidays, that typically are trays of ribbons composed in large part of cut-edge ribbon rather than narrow woven ribbons."³⁴

*** reported that it imports narrow woven ribbons because it is "***".³⁵

Table III-6

Narrow woven ribbons: U.S. producers' imports and purchases, 2006-08, January-March 2008, and January-March 2009

* * * * *

²⁶ Conference transcript, p. 61 (Kerr).

²⁷ Conference transcript, p. 44 (Kerr), and p. 81 (Shea).

²⁸ Berwick Offray, supplemental response to U.S. importers' questionnaire, August 3, 2009.

²⁹ Conference transcript, p. 12 (Jacobs), p. 115 (Mitchel), p. 120 (Icsman), and p. 180 (Freebern).

³⁰ Respondent ribbon retailers' postconference brief, p. 6.

³¹ Petitioner's postconference brief, p. 15.

³² In terms of value these transactions represent ***. Petitioner's postconference brief, p. 16.

³³ Petitioner's postconference brief, exh 7.

³⁴ Petitioner's postconference brief, p. 17.

³⁵ *** response to U.S. producers' questionnaire, section II-4.

Figure III-2

Narrow woven ribbons: Petitioner Berwick Offray's U.S. production, imports, and purchases, 2006-08, January-March 2008, and January-March 2009

* * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

The U.S. producers' aggregate employment data for narrow woven ribbons are presented in table III-7. PRWs producing narrow woven ribbons declined by *** between 2006 and 2008, and were *** less in January-March 2009 compared to January-March 2008.³⁶ The majority of the decline in PRWs was reported by ***. *** reported lower number of PRWs, by ***, in January-March 2009 compared with January-March 2008, though it reported ***. Berwick Offray reported that the number of PRWs was reduced by *** due to a variety of reasons. It estimated that *** PRWs were reduced due to savings initiatives and measured productivity improvements, *** PRWs due to production shifts to its Mexico facility, and the remaining *** PRWs due to a reduction in production volumes.³⁷

*** reported ***. *** also reported ***. The trend for unit labor costs for the two U.S. producers ***. The trend was similar in January-March 2009 compared with January-March 2008, with ***.

Table III-7

Narrow woven ribbons: U.S. producers' employment-related data, 2006-08, January-March 2008, and January-March 2009

* * * * *

³⁶ *** reported ***.

³⁷ Petitioner's postconference brief, exh. 1, p. 18.

PART IV: U.S. IMPORTS, APPARENT CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

Importer questionnaires were sent to 235 firms believed to be importers of subject narrow woven ribbons, as well as to all U.S. producers of narrow woven ribbons.¹ Complete or partial questionnaire responses were received from 74 companies, representing 76.2 percent of total quantity, and 73.3 percent of total value of U.S. imports from China and from Taiwan between January 2006 and December 2007 under HTS statistical reporting number 5806.32.1090, a “basket” category, and 90.3 percent and 90.8 percent of total quantity and value, respectively, of statistical reporting numbers 5806.32.1020, 5806.32.1030, 5806.32.1050, and 5806.32.1060 between January 2008 and March 2009.^{2 3} Table IV-1 lists the top ten responding U.S. importers of narrow woven ribbons, by value, from China and from Taiwan and other sources, their locations, and their shares of U.S. imports, in 2008. The largest importers of narrow woven ribbons in 2008 from China were ***; from Taiwan were ***; and from all other sources were ***.

Table IV-1

Narrow woven ribbons: Top U.S. importers, source(s) of imports, U.S. headquarters, and shares of imports in 2008

* * * * *

U.S. IMPORTS

Data on U.S. imports are based on responses to the Commission’s U.S. importers’ questionnaire, as official statistics in 2006 and 2007 were based on an HTS statistical reporting number that was broader than the subject merchandise, and narrow woven ribbons were imported under several statistical reporting numbers other than the core numbers of 5806.32.1020, 5806.32.1030, 5806.32.1050, and 5806.32.1060 in 2008 and 2009.⁴

¹ The Commission sent questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection (“Customs”), may have imported greater than one percent of total U.S. imports under HTS statistical reporting number 5806.32.1090 during 2006-07, and under HTS statistical reporting numbers 5806.32.1020, 5806.32.1030, 5806.32.1050, and 5806.32.1060 in 2008, the first year these were applicable.

² Ten companies provided incomplete questionnaire responses. ***, which was not identified by Customs as an importer of record under the core HTS subheading or statistical reporting numbers, provided an incomplete response to the U.S. importers’ questionnaire. *** reported ***, and so is not included in the U.S. import data in this report. *** reported very small quantities of imported subject merchandise. *** did not provide quantity data, but did provide value data which are included in the applicable import data in this report.

³ The Commission also asked importers if they imported products other than narrow woven ribbons under HTS subheading 5806.32; eighteen importers, including ***, reported that they did so.

⁴ The Commission asked importers if they imported narrow woven ribbons under HTS subheadings other than 5806.32; twenty-one importers, including the petitioner reported that they did so. This represented 10.1 percent of total quantity of imports from China, 4.1 percent of imports from Taiwan, and 1.4 percent of imports from all other sources.

The collection, presentation, and analysis of data in these investigations posed particular challenges. First, the universe of importers is both large and hard to document. In 2006 and 2007, narrow woven ribbons were primarily, but not exclusively, classified under a broad HTS statistical reporting number (5806.32.1090) that included not only the subject merchandise but also cut-edge ribbons and wide ribbons, among others. Even after the establishment of four statistical reporting numbers (5806.32.1020, 5806.32.1030, 5806.32.1050, and 5806.32.1060) designed to capture imports of polyester and nylon narrow woven ribbons, imports of other narrow woven ribbons (such as metallic) entered under separate, mixed statistical reporting numbers.

Second, a number of firms, many of them large, reportedly have only a limited sense of whether the narrow woven ribbons that they source and sell are produced in the United States or in other countries, in part because the primary U.S. producers of narrow woven ribbons also import the product. In particular, the fact that ***.

Third, the measure of quantity is problematic. U.S. producers use square yards to measure production and certain other volume metrics, and indeed the use of square yards is generally acknowledged as a “fair” method to collect volume data.⁵ However, official import statistics, to the extent that they can be used, are collected in terms of weight, not area. Moreover, few if any importers routinely maintain area-based quantity data, instead collecting data in terms of units (generally spools, which themselves may contain varying yardage) and sometimes linear yards or meters.⁶ Indeed, even after best efforts, seven U.S. importers, representing approximately one-quarter of subject imports in 2008, were unable to provide even carefully prepared estimates of their quantity data in square yards. Importer Michaels stated that the “ability to do it {report in square yards} for current state would be pretty much impossible, and it would be absolutely impossible to provide any historical context.”⁷

Finally, for those companies that were able to provide carefully prepared estimates of quantity data in square yards, all data had to be reviewed carefully because of differences in product mix. These included not only size differences and differences in characteristics (such as the use of metallics and other embellishments), but also the fact that ribbons in assortments or other highly processed combinations carried much higher (allocated) average unit values.

Table IV-2 present data for the quantity of U.S. imports of narrow woven ribbons from China, Taiwan, and all other sources, to the extent that importers were able to report quantity data.⁸ Both the accuracy and the completeness of these data are at issue due to the extreme difficulty in achieving a common standard of measure.⁹ Table IV-3 presents data for the value of U.S. imports of narrow woven ribbons from China and Taiwan and all other sources. These data are substantially more complete (and in fact can be compared to official import statistics for calendar year 2008 and January-March 2008 and 2009). Finally, table IV-4 presents data for the average unit value of U.S. imports of narrow woven ribbons from China and Taiwan and all other sources, based on the responses of firms that could provide both quantity (in square yards) and value data. Because of the different levels of coverage in tables IV-2 and IV-3, the average unit value data in table IV-4 cannot be derived from the preceding tables.

⁵ Conference transcript, p. 212 (Lodge) and p. 213 (Vaughn).

⁶ Conference transcript, pp. 212-214 (Lodge, Vaughn, and Icsman).

⁷ Conference transcript, p. 213 (Mitchell).

⁸ Data for quantity was not reported by ***.

⁹ For example, some importers, such as *** reported in linear yards, some, such as *** reported in linear meters, some importers, such as *** reported by weight, and some converted their data from spools or units to square yards.

Imports from Subject Sources

The reported quantity of subject U.S. imports fluctuated between 2006 and 2008, ending 7.3 percent lower than in 2006. This decline was due to a decline in imports from Taiwan of 13.7 percent (1.7 million square yards). Over that same period, value, which includes data from more responses to the U.S. importers' questionnaire, also fluctuated, but ended 4.7 percent (\$2.9 million) higher in 2008 than in 2006. This increase was due to a 24.6 percent (\$5.3 million) increase in imports from China, with the majority of this increase in 2007. Imports from Taiwan declined in each year, in terms of both quantity and value.

As shown in table IV-2, the quantity of subject imports was 12.8 percent lower in interim 2009 compared with interim 2008, with imports from Taiwan 13.5 percent lower and imports from China 11.8 percent lower. As shown in table IV-3, the value of subject imports was 7.9 percent higher in interim 2009 compared with interim 2008, with imports from China 17.4 percent lower and imports from Taiwan 27.8 percent higher.

As shown in table IV-4, average unit values of imports from both China and Taiwan, derived from questionnaire data from respondents that were able to provide both quantity and value, increased from 2006 to 2008, with average unit value of imports from Taiwan generally higher than those of imports from China. In January-March 2009, however, the average unit value of imports from China were higher than those from Taiwan.

Table IV-2

Narrow woven ribbons: Reported quantity of U.S. imports, by sources, 2006-08, January-March 2008, and January-March 2009

Source	Calendar year			January-March	
	2006	2007	2008	2008	2009
Reported quantity (1,000 square yards)					
China	7,546	8,117	7,764	1,386	1,222
Taiwan	12,102	11,737	10,442	1,996	1,726
Subject subtotal	19,648	19,854	18,206	3,383	2,948
Other countries	1,422	1,295	1,208	272	205
Total U.S. imports	21,070	21,149	19,413	3,654	3,154
Share of reported quantity (percent)					
China	35.8	38.4	40.0	37.9	38.8
Taiwan	57.4	55.5	53.8	54.6	54.7
Subject subtotal	93.3	93.9	93.8	92.6	93.5
Other countries	6.7	6.1	6.2	7.4	6.5
Total U.S. imports	100.0	100.0	100.0	100.0	100.0
Note.—Quantity data are understated because the following companies were unable to provide data based on square yards: ***.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table IV-3

Narrow woven ribbons: Value of U.S. imports, by sources, 2006-08, January-March 2008, and January-March 2009

Source	Calendar year			January-March	
	2006	2007	2008	2008	2009
Value (1,000 dollars)¹					
China	21,733	26,980	27,076	4,404	3,639
Taiwan	40,295	38,781	37,888	5,572	7,123
Subject subtotal	62,027	65,761	64,964	9,976	10,762
Other countries	6,134	5,925	5,173	1,252	844
Total U.S. imports	68,161	71,686	70,137	11,228	11,606
Share of value (percent)					
China	31.9	37.6	38.6	39.2	31.4
Taiwan	59.1	54.1	54.0	49.6	61.4
Subject subtotal	91.0	91.7	92.6	88.8	92.7
Other countries	9.0	8.3	7.4	11.2	7.3
Total U.S. imports	100.0	100.0	100.0	100.0	100.0
¹ Landed, U.S. port of entry, duty-paid.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table IV-4

Narrow woven ribbons: Average unit value of U.S. imports, by sources, 2006-08, January-March 2008, and January-March 2009

Source	Calendar year			January-March	
	2006	2007	2008	2008	2009
Unit value (per square yard)¹					
China	2.38	2.55	2.66	2.86	2.73
Taiwan	2.50	2.46	2.73	2.64	2.67
Subject subtotal	2.46	2.49	2.70	2.73	2.69
Other countries	3.45	3.74	3.74	3.63	3.77
Total U.S. imports	2.52	2.57	2.76	2.80	2.76
¹ Landed, U.S. port of entry, duty-paid.					
Note.—Unit values are calculated using data of firms supplying both quantity and value information.					
Source: Compiled from data submitted in response to Commission questionnaires.					

One importer, *** reported that the *** decline in 2008 of imports from *** was due to ***¹⁰. *** noted that its increases in imports from *** were due to several factors ***.¹¹ Costco, which reported *** reported this ***¹². ***, which reported an increase in imports from Taiwan of *** in 2007, stated this increase was primarily due to ***¹³. *** also reported an increase in imports from Taiwan of *** in 2007, but then reported a decline of *** in 2008. *** reported the increase in 2007 was primarily due to ***, while the decrease was largely due to ***. *** reported ***.

Imports from Nonsubject Sources

Both the Petitioner and the Respondents reported that the only other significant nonsubject source was Mexico, although imports from Mexico were substantially less than those from subject sources.¹⁴ This is corroborated by official import statistics for calendar year 2008 and interim 2008 and interim 2009, which indicate that Mexico is the leading nonsubject source with less than 3 percent of total imports, by quantity and value, in 2008, followed by India and Korea with less than 0.5 percent of total imports in 2008.

Subject Imports by U.S. Producers

Table IV-5 presents data on imports of narrow woven fabric by U.S. producers and all other sources. The value of subject imports by Berwick Offray was *** percent, *** percent, and *** percent of the total subject imports during 2006-08, respectively. In interim 2008 the ratio was *** percent and increased to *** percent in interim 2009. The share of total imports from Taiwan by Berwick Offray was *** than for imports from China for each period for which data collected, ranging from *** percent in 2006 to *** in interim 2009. The share of *** total subject imports ranged from a high of *** percent in 2007 to less than *** percent in interim 2009, with the majority of imports from ***.

Table IV-5
Narrow woven ribbons: U.S. imports, by sources, 2006-08, January-March 2008, and January-March 2009

* * * * *

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible, unless the Commission finds that imports of the subject merchandise are likely to imminently exceed the negligibility threshold.¹⁵ Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise

¹⁰ Staff interview with ***.

¹¹ *** reported an increase in imports ***.

¹² Costco reported it imported only for seasonal business, largely Christmas, and that it did not import from China or other sources during period for which data were collected. Conference transcript, p. 152, p. 180, and p. 189 (Buckley)

¹³ *** also reported ***. Staff telephone interview with ***.

¹⁴ Conference transcript, p. 53 (Shea) and pp. 219-220 (Wong).

¹⁵ Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.¹⁶ Based on questionnaire data, imports from China and from Taiwan accounted for 37.3 percent and 55.9 percent, respectively, of total reported U.S. imports of narrow woven ribbons by value during April 2008-March 2009. Between July 2008 and June 2009, imports from China accounted for 32.9 percent, by value, and 28.2 percent, by quantity, of total U.S. imports of narrow woven ribbons compiled from official Commerce statistics.¹⁷ During the same period, imports from Taiwan accounted for 64.2 percent, by value, and 67.6 percent, by quantity, of total U.S. imports of narrow woven ribbons compiled from official Commerce statistics.

CUMULATION CONSIDERATIONS

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) the degree of fungibility, including specific customer requirements and other quality-related questions; (2) presence of sales or offers to sell in the same geographic markets; (3) common channels of distribution; and (4) simultaneous presence in the market. Channels of distribution and fungibility (interchangeability) are discussed in Part II of this report. Additional information concerning fungibility, geographical markets, and simultaneous presence in the market is presented below.¹⁸

Fungibility

Table IV-6 presents data on U.S. shipments of narrow woven ribbons by sources and by type over the period for which data were collected. The largest share of domestically produced product, as well as narrow woven ribbons imported from Taiwan and from other countries was polyester without wire in selvedge, while the largest share of narrow woven ribbons imported from China was polyester with wire in selvedge.

¹⁶ Section 771(24) of the Act (19 U.S.C. § 1677(24)).

¹⁷ Based on HTS statistical reporting numbers 5806.32.1020, 5806.32.1030, 5806.32.1050, and 5806.32.1060.

¹⁸ Petitioner argued that subject imports from China and Taiwan should be cumulated. Petitioner's postconference brief, pp. 5-8. The respondent importers did not address cumulation. Conference transcript, 167 (Perry). The respondent ribbon retailers take no position regarding the issue of cumulation for present material injury and threat purposes. Ribbon retailers' postconference brief, exh. 1, p. 5.

Table IV-6

Narrow woven ribbons: U.S. shipments of the domestically produced and imported product, by sources and by types, 2006-08, January-March 2008, and January-March 2009

Product	United States	China	Taiwan	Other countries
Share of value of U.S. shipments (<i>percent</i>)				
Polyester with wire in selvedge	***	34.1	13.6	25.4
Polyester without wire in selvedge	***	17.1	47.6	30.6
Nylon with wire in selvedge	***	11.6	0.1	12.9
Nylon without wire in selvedge	***	5.8	7.9	6.5
Other fabric with wire in selvedge ¹	***	22.2	17.1	15.6
Other fabric without wire in selvedge ¹	***	9.2	13.7	9.1
Total	100.0	100.0	100.0	100.0
¹ Examples of "other fabric" include acetate and metallic yarn.				
Source: Compiled from data submitted in response to Commission questionnaires.				

Geography

With regard to geographical market overlap, U.S. imports of narrow woven ribbons from China and Taiwan entered multiple U.S. ports of entry, dispersed across the nation. The three U.S. ports of entry with the largest volume of imports from China were: (1) Los Angeles, CA; (2) New York, NY; and (3) New Orleans, LA. The four U.S. ports of entry with the most volume of imports from Taiwan were: (1) Los Angeles, CA; (2) New York, NY; (3) Dallas-Forth Worth, TX; and (4) San Francisco, CA. Approximately two-thirds of the imports of narrow woven ribbons from China and Taiwan entered through those ports. Petitioners argue that the imported product, like domestically produced narrow woven ribbons, is available nationwide.¹⁹

Presence in the Market

With regard to simultaneous presence in the market, petitioners state that imported narrow woven ribbons from both China and Taiwan have been simultaneously present in the U.S. market along with domestic product during the period examined.²⁰ Commerce statistics and pricing data submitted to the Commission show that imports from China and Taiwan entered the United States in every quarter for which data were collected (and every month between January 2008 and June 2009). Table IV-7 presents monthly import data for January 2008-June 2009.²¹ Pricing data are found in *Part V* of this report.

¹⁹ Petition, p. 80. Berwick Offray noted that as most of its customers are nationwide, its distribution centers service the entire United States rather than being regionally placed. In addition, Berwick Offray stated that it does not import into the United States because of location, such as specifically for the U.S. west coast market. Conference transcript, pp. 80-81 (Shea).

²⁰ Petition, p. 80.

²¹ Data may be understated as data are only for HTS statistical reporting numbers 5806.32.1020, 5806.32.1030, 5806.32.1050, and 5806.32.1060, while narrow woven ribbons may enter under other statistical reporting numbers.

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of narrow woven ribbons during the period for which data were collected are shown in table IV-8, table IV-9, and figure IV-1. Table IV-8 presents quantity data only for those companies that reported quantity. Table IV-9 presents value data for all companies that responded to the Commission's U.S. producers' and importers' questionnaire.

Table IV-8

Narrow woven ribbons: Quantity of U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2006-08, January-March 2008, and January-March 2009

Item	Calendar year			January-March	
	2006	2007	2008	2008	2009
Quantity (1,000 square yards)					
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. imports from—					
China	7,546	8,117	7,764	1,386	1,222
Taiwan	12,102	11,737	10,442	1,996	1,726
Subject subtotal	19,648	19,854	18,206	3,383	2,948
Other countries	1,422	1,295	1,208	272	205
Total U.S. imports	21,070	21,149	19,413	3,654	3,154
Apparent U.S. consumption	***	***	***	***	***
Note.—Because of rounding, figures may not add to the totals shown.					
Note.—Quantity data are understated because the following companies were unable to provide data based on square yards: ***.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Table IV-9

Narrow woven ribbons: Value of U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2006-08, January-March 2008, and January-March 2009

Item	Calendar year			January-March	
	2006	2007	2008	2008	2009
Value (1,000 dollars)¹					
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
China	21,733	26,980	27,076	4,404	3,639
Taiwan	40,295	38,781	37,888	5,572	7,123
Subject subtotal	62,027	65,761	64,964	9,976	10,762
Other countries	6,134	5,925	5,173	1,252	844
Total U.S. imports	68,161	71,686	70,137	11,228	11,606
Apparent U.S. consumption	***	***	***	***	***
¹ Landed duty-paid.					
Note.—Because of rounding, figures may not add to the totals shown.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Figure IV-1

Narrow woven ribbons: Value of apparent U.S. consumption, by sources, 2006-08, January-March 2008, and January-March 2009

* * * * *

The value of apparent U.S. consumption declined by *** percent between 2006 and 2008, and was *** percent lower in interim 2009 compared with interim 2008. The value of U.S. producers' shipments declined by *** percent from 2006 to 2008, as did U.S. imports from Taiwan and all other sources, by 6.0 percent and 15.7 percent, respectively. Over the same period the value of U.S. imports from China increased by 24.6 percent. While U.S. producers' shipments and imports from Taiwan and all other sources declined each year, imports from China increased each year.²²

The value of U.S. producers' shipments was *** percent lower in interim 2009 than in interim 2008. The value of U.S. imports from China and from all other sources were 17.4 percent and 32.6 percent lower, respectively, while U.S. imports from Taiwan were 27.8 percent higher in interim 2009 compared with interim 2008.

Respondents argued that the recession has resulted in a decline in the demand and shipments of narrow woven ribbons.²³ Respondents also noted that holiday-related narrow woven ribbons, which are imported after the interim period, have been particularly impacted by the recession.²⁴ Petitioner acknowledged that the recession had an impact on demand, but argued that the impact was minor.²⁵

²² Imports from China increased 24.1 percent in 2007 and 0.4 percent in 2008.

²³ Conference transcript, p. 130 (Vaughn) and p. 189 (Bucklin and Icsman)

²⁴ Conference transcript, p. 153 (Mitchel) and p. 189 (Bucklin and Icsman).

²⁵ Conference transcript, p. 67 (Shea).

Berwick Offray asserted that the market for narrow woven ribbons is “fairly recession proof,” noting that with consumers staying home more and participating in “nesting projects”, there is less of a decrease in sales.²⁶

U.S. MARKET SHARES

U.S. market share quantity and value data are presented in tables IV-10 and IV-11, respectively.²⁷ The share of U.S. producers’ U.S. shipments, in terms of value, declined during 2006-08 and was lower in interim 2009 compared with interim 2008. The share of value of subject imports increased between 2006 and 2008, with imports from China increasing by *** percentage points, while imports from Taiwan declined by *** percentage points.

Table IV-10

Narrow woven ribbons: Quantity of U.S. consumption and market shares, 2006-08, January-March 2008, and January-March 2009

* * * * * * *

Table IV-11

Narrow woven ribbons: Value of U.S. consumption and market shares, 2006-08, January-March 2008, and January-March 2009

* * * * * * *

RATIO OF IMPORTS TO U.S. PRODUCTION

Information concerning the ratio of imports to U.S. production of narrow woven ribbons, in terms of quantity is presented in table IV-12, while table IV-13 presents value information on the ratio of imports to U.S. producers’ total shipments. Subject imports as a ratio of U.S. producers’ total shipments (a value-based equivalent of U.S. production), increased by *** percentage points during 2006-08, and was *** percentage points higher in January-March 2009 than in January-March 2008. The ratio of U.S. imports from China increased *** percentage points during 2006-08, while the ratio of U.S. imports from Taiwan increased by *** percentage points.

Table IV-12

Narrow woven ribbons: Quantity of U.S. production, U.S. imports, and ratios of imports to U.S. production, 2006-08, January-March 2008, and January-March 2009

* * * * * * *

Table IV-13

Narrow woven ribbons: Value of U.S. producers’ total shipments, U.S. imports, and ratios of imports to U.S. producers’ total shipments, 2006-08, January-March 2008, and January-March 2009

* * * * * * *

²⁶ Conference transcript, pp. 67-68 (Shea and Pajic) and pp. 223-224 (Dorris).

²⁷ Import quantity is based only on responses to the Commission’s importers’ questionnaires for which quantity data was provided. Import value data is based on all importers’ questionnaires.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

U.S. producers of narrow woven ribbons reported that polyester yarn, nylon, acetate, and rayon are the principal raw materials used in producing narrow woven ribbons, with *** reporting that polyester yarn in particular accounts for *** percent of its total raw material costs. Other raw materials cited included dyes (reportedly accounting for *** percent of total raw material costs) and corrugate and plastic rings for spools. U.S. producers reported that their costs for polyester *** since 2006 and that their costs for dyes have *** by between *** percent and *** percent over the same period.¹

U.S. Inland Transportation Costs

U.S. producers reported that U.S. inland transportation costs of narrow woven ribbons range from *** to *** percent of the delivered price. Importers reported that U.S. inland transportation costs of narrow woven ribbons range from *** to *** percent of the delivered price, with the majority of importers reporting U.S. inland transportation costs of *** percent or less.

U.S. inland shipping distances for U.S.-produced narrow woven ribbons and narrow woven ribbons produced in China and Taiwan were requested from both U.S. producers and U.S. importers. For the U.S. producers, *** percent of their U.S. sales in 2008 occurred within distances of 100 miles from their facilities, *** percent occurred within distances of 101 to 1,000 miles, and *** percent occurred within distances over 1,000 miles from their facilities. For importers of ribbons from China, *** percent of sales by value in 2008 occurred within 100 miles of their storage facilities, *** percent of sales occurred within 101 to 1,000 miles, and *** percent occurred within distances over 1,000 miles. For importers of ribbons from Taiwan, *** percent of sales by value in 2008 occurred within 100 miles of their storage facilities, *** percent of sales occurred within 101 to 1,000 miles, and *** percent occurred within distances over 1,000 miles.

PRICING PRACTICES

Pricing Methods

When questionnaire respondents were asked how they determined the prices that they charge for narrow woven ribbons, *** reported *** and *** reported the use of ***. Among importers of narrow woven ribbons from China and Taiwan, the majority reported the use of price lists, while the remainder reported the use of transaction-by-transaction negotiations, or a combination of the two.

Berwick Offray reported that reverse auctions are used in price negotiations in a small number of cases.² Importer MNC Stribbons reported that it is unaware of Berwick Offray losing a reverse auction in which it has participated.³

¹ ***.

² Specifically, Berwick Offray reported that a “couple” of customers, mainly mass retailers, have used reverse auctions when purchasing narrow woven ribbons. Conference transcript, p. 88 (Shea).

³ This importer also reported that it recently participated in a reverse auction for the 2009 holiday season with retailer Macy’s in which Berwick Offray allegedly drove the price down by 40 percent and won the bid for the account, the incumbent supplier of which was U.S. producer and importer Lawrence Schiff. Conference transcript, (continued...)

Prices of narrow woven ribbons are generally quoted on an f.o.b. rather than a delivered basis, for both U.S. producers and importers.

Sales Terms and Discounts

U.S. producers and importers of narrow woven ribbons from China and Taiwan were asked what share of their sales were on a (1) long-term contract basis (multiple deliveries for more than 12 months), (2) short-term contract basis (up to and including 12 months), and (3) spot sales basis (for a single delivery) during 2008. *** reported that *** percent of its sales are on a long-term contract basis; *** percent are on a short-term contract basis; and *** percent are spot sales. *** reported that *** percent of its sales are a short-term contract basis and *** percent are spot sales. ***'s contracts typically ***. ***'s short-term contracts ***.

Among the importers that reported sales of imports from China and Taiwan, the vast majority reported that all or nearly all of their sales are on a spot basis. Six importers reported that most of their sales are on a short-term contract basis and one importer reported that most of its sales are on a long-term contract basis. Importers' short-term contracts last from 3 to 12 months, generally fix both price and quantity, and may or may not contain meet-or-release provisions.

*** offer some form of discount. ***.⁴ ***. Half of the 52 responding importers reported the use of discounts, mostly citing discounts based on volume ranging from 4 to 40 percent.

*** and *** importers reported that they had provided markdown support to a retailer (i.e., paid for retail space by incurring at least some of the cost to clear out existing inventory on the shelves, including the supplier's own product), citing ***. *** of these importers reported that the markdown support was ***. *** reported that such markdowns ranged from \$*** to \$*** and *** importers reported that their markdowns ranged from *** to *** percent ***.

PRICE DATA

The Commission requested U.S. producers and importers of narrow woven ribbons from China and Taiwan to provide quarterly data for the total quantity and f.o.b. value of selected products that were shipped to unrelated customers in the U.S. market.⁵ Data were requested for the period January 2006-March 2009. The products for which pricing data were requested are as follows:

Product 1.—Single faced satin of solid color, without woven or applied embellishments,⁶ with a woven selvedge with *no wire*.

³ (...continued)

p. 135 (Vaughn). Importers Liberty Ribbon and Papillon reported that Berwick Offray won a reverse auction with retailer Bed Bath & Beyond in July 2008 by bidding the price down from 23 cents per yard to 4.83 cents per yard. Conference transcript, p. 136 (Lodge) and p. 144 (Wong).

⁴ Petitioner's postconference brief, exh. 1, p. 12.

⁵ Firms were also asked to report pricing data on sales of products imported from Mexico. Sales of imports from Mexico were reported *** by ***. Importer *** reported unusable data on sales of product *** imported from Mexico in linear yards.

⁶ Woven or applied embellishments include, but are not limited to: woven embellishments using a jacquard mechanism, narrow woven ribbons made from differently colored yarns (yarns dyed before weaving), screen printed embellishments, flexography printed embellishments, transfer printed embellishments, and foil stamped embellishments.

Product 2.—Single faced satin of non-solid color, with or without woven or applied embellishments, with a woven selvedge with *no wire*.

Product 3.—Double faced satin of solid color, without woven or applied embellishments, with a woven selvedge with *no wire*.

Product 4.—Sheers of solid color, without woven or applied embellishments, with a woven selvedge *with wire*.

Product 5.—Sheers of non-solid color, with or without woven or applied embellishments, with a woven selvedge, with *no wire*.

Product 6.—Grosgrain of non-solid color, with or without applied embellishments, with a woven selvedge, with *no wire*.

*** U.S. producers, *** importers of product imported from China,⁷ and *** importers of product imported from Taiwan provided pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.⁸ Pricing data reported by these firms accounted for approximately *** percent of the value of U.S. producers's U.S. commercial shipments of narrow woven ribbons during January 2006-March 2009 and *** percent of the value of U.S. shipments of imports from China over the same period and *** percent of the value of U.S. shipments of imports from Taiwan.⁹

Price Trends

Weighted-average f.o.b. prices reported for U.S. producers and importers are presented in tables V-1 through V-6 and in figures V-1 through V-6 on a quarterly basis during January 2006-March 2009. For sales reported by U.S. producers, ***. For sales of products imported from China, ***. For sales of products imported from Taiwan, ***.

Table V-1

Narrow woven ribbons: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, January 2006-March 2009

* * * * *

Table V-2

Narrow woven ribbons: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, January 2006-March 2009

* * * * *

⁷ Importer *** reported sales prices of imports from China; however, it also stated that its data included *** and thus its data have been excluded. Staff excluded sales prices of imports from China as reported by *** and *** because they each applied the ***.

⁸ Importer *** reported sales prices of imports from Taiwan; however, its reported pricing data quantity *** and staff could not verify that the pricing data were reported in the correct units. Therefore, its data have been excluded. Staff excluded sales prices of imports from Taiwan as reported by *** because it applied the ***.

⁹ Commission questionnaires requested that retailers that directly import narrow woven ribbons provide their delivered prices of products purchased from U.S. producers and purchase prices of direct imports from China and Taiwan. Appendix D presents the purchase prices reported by ***. Retailers *** were unable to provide ***.

Table V-3

Narrow woven ribbons: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarters, January 2006-March 2009

* * * * *

Table V-4

Narrow woven ribbons: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, January 2006-March 2009

* * * * *

Table V-5

Narrow woven ribbons: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by quarters, January 2006-March 2009

* * * * *

Table V-6

Narrow woven ribbons: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by quarters, January 2006-March 2009

* * * * *

Figure V-1

Narrow woven ribbons: Weighted-average f.o.b prices and quantities of domestic and imported product 1, by quarters, January 2006-March 2009

* * * * *

Figure V-2

Narrow woven ribbons: Weighted-average f.o.b prices and quantities of domestic and imported product 2, by quarters, January 2006-March 2009

* * * * *

Figure V-3

Narrow woven ribbons: Weighted-average f.o.b prices and quantities of domestic and imported product 3, by quarters, January 2006-March 2009

* * * * *

Figure V-4

Narrow woven ribbons: Weighted-average f.o.b prices and quantities of domestic and imported product 4, by quarters, January 2006-March 2009

* * * * *

Figure V-5

Narrow woven ribbons: Weighted-average f.o.b prices and quantities of domestic and imported product 5, by quarters, January 2006-March 2009

* * * * *

Figure V-6

Narrow woven ribbons: Weighted-average f.o.b prices and quantities of domestic and imported product 6, by quarters, January 2006-March 2009

* * * * *

Table V-7

Narrow woven ribbons: Summary of weighted-average f.o.b. prices for products 1-6 from the United States and China and Taiwan

Item	Number of quarters	Low price (per square yard)	High price (per square yard)	Change in price ¹ (percent)
Product 1				
United States	13	***	***	***
China	13	2.87	4.16	6.7
Taiwan	13	3.13	5.77	-23.4
Product 2				
United States	13	***	***	***
China	13	4.11	5.59	-12.2
Taiwan	13	6.60	12.67	-18.1
Product 3				
United States	13	***	***	***
China	13	4.48	6.60	2.4
Taiwan	13	2.71	5.95	37.5
Product 4				
United States	13	***	***	***
China	13	3.77	10.09	-17.8
Taiwan	13	3.22	5.80	5.8
Product 5				
United States	13	***	***	***
China	13	5.70	9.07	11.4
Taiwan	13	4.81	9.80	64.6
Product 6				
United States	13	***	***	***
China	13	6.49	10.69	-14.2
Taiwan	13	4.00	7.77	89.2
¹ Percentage change from the first quarter in which price data were available to the last quarter in which price data were available, based on unrounded data.				
Source: Compiled from data submitted in response to Commission questionnaires.				

The weighted-average sales prices of U.S.-produced product 1 fluctuated and decreased overall by *** percent from the first quarter of 2006 to the first quarter of 2009. The weighted-average sales prices of product 1 imported from China increased by 6.7 percent over the same period. The weighted-average sales prices of product 1 imported from Taiwan fluctuated and decreased by 23.4 percent over the same period.

The weighted-average sales prices of U.S.-produced product 2 remained relatively flat, decreasing *** percent from the first quarter of 2006 to the first quarter of 2009. The weighted-average sales prices of product 2 imported from China decreased by 12.2 percent over the same period. The weighted-average sales prices of product 2 imported from Taiwan fluctuated and decreased by 18.1 percent over the same period.¹⁰

The weighted-average sales prices of U.S.-produced product 3 fluctuated, but increased overall by *** percent from the first quarter of 2006 to the first quarter of 2009, with most of the increase occurring in ***. The weighted-average sales prices of product 3 imported from China increased by 2.4 percent over the same period. The weighted-average sales prices of product 3 imported from Taiwan increased by 37.5 percent over the same period, with most of the increase occurring in 2008 and the first quarter of 2009.

The weighted-average sales prices of U.S.-produced product 4 remained relatively flat over the period, increasing *** percent from the first quarter of 2006 to the first quarter of 2009. The weighted-average sales prices of product 4 imported from China fluctuated and decreased overall by 17.8 percent over the same period. The weighted-average sales prices of product 4 imported from Taiwan fluctuated and increased overall by 5.8 percent over the same period.

The weighted-average sales prices of U.S.-produced product 5 fluctuated and increased overall by *** percent from the first quarter of 2006 to the first quarter of 2009. The weighted-average sales prices of product 5 imported from China fluctuated and increased overall by 11.4 percent over the same period.¹¹ The weighted-average sales prices of product 5 imported from Taiwan increased by 64.6 percent over the same period, with most of the increase occurring in 2008 and the first quarter of 2009.

The weighted-average sales prices of U.S.-produced product 6 increased by *** percent from the first quarter of 2006 to the first quarter of 2009. The weighted-average sales prices of product 6 imported from China fluctuated and decreased overall by 14.2 percent over the same period. The weighted-average sales prices of product 6 imported from Taiwan increased by 89.2 percent over the same period, with most of the increase occurring in 2008 and the first quarter of 2009.

Price Comparisons

Margins of underselling and overselling for the period are presented by product category in table V-8 below. The data show that prices of imports from China were lower than the U.S. producers' prices in 65 out of 78 quarterly comparisons, by margins ranging from 0.1 percent to 72.4 percent. The prices of imports from China were higher than U.S. producers' prices in 13 quarterly comparisons, by margins ranging from 1.2 to 34.2 percent. The data show that prices of imports from Taiwan were lower than the U.S. producer prices in 66 out of 78 quarterly comparisons, by margins ranging from 1.4 percent to 76.0 percent. The prices of imports from Taiwan oversold U.S. producers prices in 12 quarterly comparisons, by margins ranging from 0.2 to 33.0 percent.

Table V-8

Narrow woven ribbons: Instances of underselling/overselling and the range and average of margins for products 1-6, January 2006-March 2009

* * * * * * *

¹⁰ Staff excluded reported sales prices of product 2 imported from Taiwan reported by *** because its prices ranged from *** percent to *** percent higher than the weighted-average sales prices of the other importers reporting prices in the same quarters.

¹¹ Staff excluded reported sales prices of product 5 imported from China reported by *** because its prices were *** percent ***, on average than the prices reported by other importers and it reported that these sales included ***.

LOST SALES AND LOST REVENUES

The Commission requested that U.S. producers report any instances of lost sales or revenues it experienced due to competition from imports of narrow woven ribbons from China and Taiwan since January 2006. *** provided *** lost sales allegations and *** provided *** lost sales allegations collectively totaling \$***.¹² *** provided *** lost revenues allegations totaling \$***.¹³ Staff contacted the *** purchasers cited in the allegations; *** responded. *** confirmed lost sales allegations totaling \$*** and *** purchasers confirmed lost revenues allegations totaling \$***. The results are summarized in tables V-9 and V-10 and are discussed below.

Table V-9

Narrow woven ribbons: U.S. producers' lost sales allegations

* * * * *

Table V-10

Narrow woven ribbons: U.S. producers' lost revenue allegations

* * * * *

*** was named in a lost revenues allegation valued at \$***. It disagreed with the allegation, stating that ***. It further reported that it has not switched from purchasing narrow woven ribbons from U.S. producers to suppliers of imports and that it is unaware of U.S. producers reducing their prices to compete with imports.

*** was named in a lost sales allegation valued at \$***. It disagreed with the allegation, stating that it only purchases from U.S. suppliers.

*** was named in a lost revenues allegation valued at \$***. It agreed with the allegation, further stating that it had switched its purchases from U.S. producers to imports from China due to price, ***.

*** was named in a lost sales allegation valued at \$***. It disagreed with the allegation, stating that it has not purchased narrow woven ribbons from China or Taiwan.

*** was named in a lost sales allegation valued at \$***. It reported that it could not respond to the specific allegation, but stated that ***.

*** was named in a lost sale allegation valued at \$*** and a lost revenues allegation valued at \$***. It agreed with the lost revenues allegation, stating that it paid \$*** per piece from a supplier of imports from China after the U.S. supplier had lowered its price from \$*** to \$*** per piece.

*** was named in a lost sale allegation valued at \$***. It disagreed with the allegation, stating that ***. Furthermore, it reported that ***.

*** was named in *** lost sales allegations valued at \$*** and *** lost revenues allegations valued at \$***. It disagreed with the allegations, stating that ***. It also reported that ***. It also reported that ***. Furthermore, ***. ***. In addition, it reports that, with regard to ***. ***.¹⁴

*** was named in a lost sales allegation valued at \$*** and a lost revenues allegation valued \$***. It ***.

*** was named in a lost sales allegation valued at \$***. It ***.

*** was named in a lost sales allegation valued at \$***. It ***.

¹² ***. ***. Petitioner's postconference brief, p. 15.

¹³ ***.

¹⁴ Petitioner's postconference brief, p. 15.

*** was named in *** lost sale allegations valued at \$*** and a lost revenues allegation valued at \$***. It reported that ***.

PART VI: FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

INTRODUCTION

Two U.S. firms provided usable financial data on their operations on narrow woven ribbons. These data are believed to account for the vast majority of U.S. operations on narrow woven ribbons in 2008. No firms reported toll production, and reported non-commercial sales were quite limited (and thus are not separately presented in this chapter).¹ Berwick Offray reported a fiscal year end of March 31, while Schiff reported a fiscal year end of December 31. Both firms were requested to provide, and did provide, financial data on a calendar year basis regardless of actual fiscal year end.

OPERATIONS ON NARROW WOVEN RIBBONS

Income-and-loss data for U.S. firms on their operations on narrow woven ribbons are presented in table VI-1, while selected financial data, by firm, are presented in table VI-2. The domestic industry experienced *** decreasing operating income from 2006 to 2008, and in January-March 2009 relative to January-March 2008. Total net sales quantity and value declined from 2006 to 2008, and were *** in January-March 2009 than in January-March 2008. From 2006 to 2008, the reduction in net sales value was relatively greater than the reduction in net sales quantity, while in January-March 2009 as compared to January-March 2008, the reduction in net sales quantity was relatively greater than the reduction in net sales value. Thus, the per-unit net sales value declined from 2006 to 2008, but was higher in January-March 2009 as compared to January-March 2008 (and also higher than in full year 2008).² Per-unit operating costs – cost of goods sold (“COGS”) and selling, general, and administrative (“SG&A”) expenses, combined – decreased from 2006 to 2008, declining by an equivalent amount as compared to per-unit revenue during this time and thus leading to no net change in per-unit operating income. Between the comparable interim periods, per-unit operating costs increased less than per-unit revenue, thus operating income improved in January-March 2009 as compared to January-March 2008 on a per-unit basis and as a ratio to sales.

Table VI-1

Narrow woven ribbons: Results of operations of U.S. producers, 2006-08, January-March 2008, and January-March 2009

* * * * *

Table VI-2

Narrow woven ribbons: Results of operations of U.S. producers, by firm, 2006-08, January-March 2008, and January-March 2009

* * * * *

While the overall industry reported fairly stable operating margins from 2006 to 2008, and an improvement in the operating margin in January-March 2009 relative to January-March 2008, the two firms reported *** financial data, with *** reporting *** financial results than *** during the period for which data were collected. While *** reported *** per-unit COGS, the firm’s reported per-unit SG&A expenses were *** than such expenses as reported by ***,³ and resulted in ***.

¹ ***.

² Per-unit revenue increased from 2006 to 2007, then declined in 2008 to a level *** 2006 per-unit revenue.

³ ***.

VARIANCE ANALYSIS

A variance analysis for narrow woven ribbons is presented in table VI-3. The analysis shows that the decline in operating income from 2006 to 2008 is primarily due to the higher unfavorable price variance despite a favorable net cost/expense variance (that is, prices declined more than costs/expenses). Operating income decreased in January-March 2009 primarily because the higher favorable price variance was offset by an unfavorable net cost/expense and volume variance (that is, prices rose more than costs/expenses, but volume declined).⁴

Table VI-3

Narrow woven ribbons: Variance analysis on operations of U.S. producers, 2006-08, and January-March 2008-09

* * * * *

CAPITAL EXPENDITURES

The responding firms' aggregate data on capital expenditures are shown in table VI-4. Two firms provided capital expenditure data, while no firms provided data on R&D expenses. Capital expenditures for narrow woven ribbons increased from 2006 to 2008, but were *** lower in January-March 2009 than in January-March 2008. *** accounted for *** percent of total capital expenditures in each requested period. According to ***, capital expenditures primarily reflect ***.⁵

Table VI-4

Narrow woven ribbons: Capital expenditures of U.S. producers, 2006-08, January-March 2008, and January-March 2009

* * * * *

ASSETS AND RETURN ON INVESTMENT

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of narrow woven ribbons to compute return on investment ("ROI"). Data on the U.S. producers' total assets and their ROI are presented in table VI-5. From 2006 to 2008, the total assets for narrow woven ribbons *** increased from \$*** in 2006 to \$*** in 2008, and the ROI declined from *** percent in 2006 to *** percent in 2008.

⁴ A variance analysis is calculated in three parts, sales variance, cost of sales variance, and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost variance (in the case of the cost of sales and SG&A expense variance) and a volume variance. The sales or cost variance is calculated as the change in unit price times the new volume, while the volume variance is calculated as the change in volume times the old unit price. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively; and the volume variance is the sum of the lines under price and cost/expense variance. The net volume component is generally smaller than the price variance and the net cost/expense variance.

⁵ Petitioner's postconference brief, exh. 1, p. 14, and exh. 14, and e-mail correspondence from *** of ***, August 7, 2009.

Table VI-5

Narrow woven ribbons: Asset values and return on investment of U.S. producers, 2006-08

* * * * *

CAPITAL AND INVESTMENT

The Commission requested U.S. producers of narrow woven ribbons to describe any actual or potential negative effects of imports of narrow woven ribbons from China on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Their responses are shown in appendix E.

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that--

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors¹--

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

¹ Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that “The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.”

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).²

Information on the nature of the subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Appendix E. Information on inventories of the subject merchandise; foreign producers' operations, and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries and the global market.

OVERVIEW

Global Trade in Narrow Woven Fabrics of Man-Made Fibers

Published information regarding worldwide production and sales of narrow woven ribbons is scarce. However, according to *Global Trade Atlas*, China and Hong Kong combined were the world's largest exporters in 2008, accounting for 35 percent of the world's total exports of narrow woven fabrics of man-made fibers in 2008 (table VII-1).³ In 2008, Germany was the second largest exporter in the world, comprising approximately 9 percent of total world exports. The United States was the third largest exporter with about 8 percent of the world's total exports in 2008 and Taiwan was fourth with about 7 percent of exports. Ribbons of narrow woven fabric of man-made fibers accounted for 20.7 percent of the broader HS 580632 category exported by the United States in 2008 (table VII-2).

In contrast, Mexico was the world's largest importer of narrow woven fabric of man-made fibers in 2008, accounting for about 19 percent of total world imports.⁴ China and Hong Kong were the second largest importers of narrow woven fabric of man-made fibers, together importing about 13 percent of total world imports in 2008. The United States was the third largest importer of narrow woven fabric of man-made fibers in 2008, accounting for 10 percent of total world imports (table VII-1).

² Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, "... the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

³ The global balance trade data presented are derived from *Global Trade Atlas*, HS 580632. The products covered under this HS classification include all narrow woven fabrics of man-made fiber. The subject narrow woven ribbons are included in the data presented, as are many other products. The *Global Trade Atlas* data presented exclude the data for Australia, Hong Kong, and Singapore because these data are not consistent with other data reported.

⁴ Mexico is not included in table VII-1 because it was not a top exporting country of narrow woven fabric of man-made fibers in 2008. However, in 2008, Mexico did have 2,968,554 kilograms of exports, 31,876,890 kilograms of imports, and a world trade balance of (28,908,336) kilograms (net imports) of narrow woven fabrics of manmade fibers (HS 580632). *Global Trade Atlas*, accessed August 4, 2009.

Table VII-1

Narrow woven ribbons and related products: World exports, imports, and trade balance of narrow woven fabrics of man-made fibers, by country, 2007-08

Woven fabrics of man-made fibers, by country, 2007-08

Country	Calender year	
	2007	2008
	Quantity (kilograms)	
Exports from:		
China	45,030,871	56,453,382
Germany	15,389,000	16,460,000
United States	17,838,826	15,299,727
Taiwan	13,403,141	12,581,332
Hong Kong	8,770,401	7,869,425
Netherlands	10,136,000	7,807,000
Belgium	6,821,000	6,762,000
Philippines	5,143,304	6,204,422
United Kingdom	6,937,000	5,971,000
Spain	5,514,000	5,087,000
Subtotal	134,983,543	140,495,288
All others	43,274,906	42,500,441
Total	178,258,449	182,995,729
Imports into:		
China	14,360,671	13,491,003
Germany	8,398,000	8,254,000
United States	19,014,535	17,627,454
Taiwan	509,325	754,365
Hong Kong	9,402,714	8,231,714
Netherlands	2,155,000	1,437,000
Belgium	2,653,000	1,799,000
Philippines	689,748	536,881
United Kingdom	3,082,000	3,309,000
Spain	2,985,000	2,461,000
Subtotal	63,249,993	57,901,417
All others	108,977,094	114,455,797
Total	172,227,087	172,357,214

Table continued on next page.

Table VI- 1- *Continued*

Narrow woven ribbons and related products: World exports, imports, and trade balance of narrow woven fabrics of man-made fibers, by country, 2007-08

Country	Calender year	
	2007	2008
	Quantity (<i>kilograms</i>)	
Trade balance:		
China	30,670,200	42,962,379
Germany	6,991,000	8,206,000
United States	(1,175,709)	(2,327,727)
Taiwan	12,893,816	11,826,967
Hong Kong	(632,313)	(362,289)
Netherlands	7,981,000	6,370,000
Belgium	4,168,000	4,963,000
Philippines	4,453,556	5,667,541
United Kingdom	3,855,000	2,662,000
Spain	2,529,000	2,626,000
Subtotal	0	0
All others	(65,702,188)	(71,955,356)
Total	0	0
Note.—Countries presented separately are based on the top ten exporting countries to the world in 2008. Excludes trade to and from Australia and Singapore that respectively collected quantity trade data on a square meter or meter basis or did not collect any quantity data whatsoever.		
Note.--Positive numbers presented for “trade balance” show net exports and numbers in parentheses presented for “trade balance” show net imports.		
Source: Compiled from Global Trade Atlas, HS 580632 (narrow woven fabrics of man-made fibers), excluding data for Australia, Hong Kong and Singapore, accessed August 4, 2009.		

Table VII-2

Narrow woven ribbons and related products: U.S. exports to the world of narrow woven fabrics of manmade fibers, by HTSUS number, 2007-08

Commodity	Description	Quantity (kilograms)		Share (percent)	
		2007	2008	2007	2008
5806321010	Ribbons of manmade fiber suitable for manufacture of typewriter or similar ribbons of heading 9612	2,497,650	1,804,848	14.0	11.8
5806321090	Ribbons of narrow woven fabric: man-made fibers, nesoi	2,193,064	3,164,614	12.3	20.7
5806322000	Narrow woven fabrics of manmade fiber, nesoi	13,147,812	10,330,265	73.7	67.5
580632	Narrow woven fabrics, nesoi, of manmade fibers	17,838,826	15,299,727	100.0	100.0
Source: Compiled from <i>Global Trade Atlas</i> , HS 580632 (narrow woven fabrics of manmade fibers), accessed August 11, 2009.					

Bilateral and Multilateral Trade Restrictions

The framework for global trade in textiles and apparel, in general, was liberalized on January 1, 2005, when the United States, the EU, and Canada agreed to gradually eliminate their remaining quotas on imports from WTO countries, as required by the Uruguay Round Agreement on Textiles and Clothing (ATC).⁵ Trade in the basket HTS category historically covering narrow woven ribbons⁶ was liberalized in the second round of quota phase-outs under the ATC during 1998-2002.⁷ Upon accession to the WTO, both China and Taiwan were eligible for quota-free exports of narrow woven ribbons to the United States.⁸

On November 8, 2005, the United States and China signed a Memorandum of Understanding (MOU) that established quotas on U.S. imports of selected textile and apparel products, including narrow woven ribbons, from China.⁹ The MOU went into effect on January 1, 2006, and extended through December 31, 2008, at which time the right of the United States to invoke safeguards under the textile provision of China's WTO Membership Accession Agreement expired.¹⁰ Narrow woven ribbons were

⁵ The ATC entered into force with the WTO agreements in 1995. It called for the gradual elimination of quotas established under the Multifiber Arrangement, an arrangement negotiated under the General Agreement on Tariffs and Trade (GATT) that had governed world textile and apparel trade since 1974. The ATC required countries both to increase the rate at which all quotas grow and to "integrate" textile and apparel articles into the GATT regime over a 10-year transition period, which ended on January 1, 2005; the articles were brought under GATT discipline and subject to the same rules as products of other sectors.

⁶ Addressed under tariff coverage in Part I of this report.

⁷ http://www.wto.org/english/docs_e/legal_e/16-tex_e.htm

⁸ China joined the WTO on December 11, 2001; Taiwan joined on January 1, 2002.

⁹ USTR, "Memorandum of Understanding Between the Governments of the United States of America and the People's Republic of China."

¹⁰ Under China's Accession Agreement to the WTO, the United States and other WTO countries could impose temporary safeguards (or quotas) on imports of Chinese textiles and apparel under certain conditions. The textile safeguard provision permitted WTO countries that concluded that imports of Chinese textiles and apparel were, owing to market disruption, threatening to impede the orderly development of trade in these goods, to request consultations with China "with a view to easing or avoiding such market disruption." No safeguards on narrow

(continued...)

included in category 229.¹¹ The quota fill rates for this category from 2006-08 were 31.0, 26.3, and 39.0 percent, respectively.¹² These fill rates were relatively low, and did not approach binding levels (typically 80 percent or greater).

No quantitative restrictions were placed on U.S. textile imports from Taiwan after the 2005 liberalizations.

THE INDUSTRY IN CHINA

Overview

The petitioner indicated that there are at least 95 producers of narrow woven ribbons in China.¹³ The Commission sent foreign producer questionnaires to 82 firms that were identified as possible producers/exporters of narrow woven ribbons in China and for which contact information was available. Two Chinese producers of narrow woven ribbons responded to the Commission's request for information in these investigations. According to Chinese company profiles, Chinese producers export narrow woven ribbons to the United States, Europe, India, Japan, Korea, and other Asian countries.¹⁴

Narrow Woven Ribbons Operations

Data provided by *** concerning capacity, production, inventories and shipments are presented in table VII-3. *** indicated in its questionnaire response that it accounted for *** percent of total narrow woven ribbons production in China during 2008. *** indicated that its production was *** to provide an estimate of its share of Chinese production. Capacity, production, shipment, and inventory data from the responses of the Chinese producers is, therefore, substantially incomplete.

Table VII-3

Narrow woven ribbons: Chinese production capacity, production, shipments, and inventories, 2006-08, January-March 2008, January-March 2009, and projections for 2009-10

* * * * *

THE INDUSTRY IN TAIWAN

Overview

Petitioner Berwick Offray indicated that there are at least 39 producers of narrow woven ribbons in Taiwan.¹⁵ The Commission sent foreign producer questionnaires to 43 firms that were identified as possible producers/exporters of narrow woven ribbons in Taiwan. Ten producers of narrow woven ribbons in Taiwan responded to the Commission's request for information in these investigations. Questionnaire respondents indicated that producers in Taiwan also exported narrow woven ribbons to various countries in Asia, Europe, Central America and South America.

¹⁰ (...continued)

woven ribbons were enacted or petitioned for in the period between the final quota phase-out and the implementation of the MOU.

¹¹ Category 229, which is special purpose fabric, covers a broad range of products of which narrow woven products are one component. <http://otexa.ita.doc.gov/correlat/cor229.htm>.

¹² For category 229 the quotas under the MOU were 33,162,019 kilograms in 2006, 38,467,942 kilograms in 2007, and 45,007,492 kilograms in 2008.

¹³ Petition, exh. 12.

¹⁴ Petition, exh. 17 and 18.

¹⁵ Petition, exh. 13.

Narrow Woven Ribbons Operations

Data provided by the 10 producers of narrow woven ribbons in Taiwan responding to the Commission's questionnaire concerning capacity, production, inventories and shipments are presented in table VII-4. These 10 firms reportedly account for a majority of subject narrow woven ribbons production in Taiwan. The reported aggregate capacity declined over the period for which data were requested in these investigations. During 2006-08, the Taiwan producers reportedly ran their narrow woven ribbons operations at levels below their collective full capacity.¹⁶ The aggregate reported capacity utilization in 2008 was 85.0 percent. The aggregate projected capacity utilization in 2009 is 68.3 percent. Several producers in Taiwan indicated that their capacity utilization was projected to decrease in 2009 due to the global economic recession.¹⁷

Producers in Taiwan reported that exports to the United States were 63.0 percent of total shipments in 2008, up slightly from a reported share of 62.8 percent in 2007. The responding producers in Taiwan projected exports to the United States accounted for 67.8 percent of total shipments in 2009. From 2006 to 2008 total export shipments increased from 88.3 percent to 90.2 percent of all shipments of narrow woven ribbons by the producers in Taiwan, while the volume of shipments to the home market were 6.8 percent in 2008 and projected to increase to 7.5 percent in 2009.

Table VII-4

Narrow woven ribbons: Taiwan production capacity, production, shipments, and inventories, 2006-08, January-March 2008, January-March 2009, and projections for 2009-10

Item	2006	2007	2008	January - March		Projected	Projected
				2008	2009	2009	2010
Quantity (1,000 square yards)							
Weaving capacity	21,082	22,113	20,133	4,244	4,538	16,973	14,899
Spooling capacity	16,348	17,510	15,767	3,348	3,791	14,030	12,179
Production	19,815	20,681	17,110	2,404	2,749	11,592	10,893
End-of-period inventories	923	1,091	881	509	479	573	539
Shipments:							
Internal consumption/transfers	1,000	669	549	117	101	134	125
Home market	1,312	1,015	1,237	267	271	871	930
Exports to:							
United States	12,180	12,856	11,468	1,291	1,068	7,849	7,288
All other markets	5,295	5,935	4,954	819	622	2,720	2,455
Total exports	17,476	18,791	16,422	2,110	1,690	10,569	9,743
Total shipments	19,788	20,475	18,207	2,494	2,061	11,574	10,798

Table continued on next page.

¹⁶ In describing the methodology used to calculate weaving and spooling capacity, some Taiwan producers responding to the Commission's questionnaires indicated that their capacity was determined according to orders.

¹⁷ Foreign producers questionnaires of ***

Table VII-4--Continued

Narrow woven ribbons: Taiwan production capacity, production, shipments, and inventories, 2006-08, January-March 2008, January-March 2009, and projections for 2009-10

Item	2006	2007	2008	January - March		Projected	Projected
				2008	2009	2009	2010
Ratios and shares (<i>percent</i>)							
Capacity utilization	94.0	93.5	85.0	56.6	60.6	68.3	73.1
Inventories/production	4.7	5.3	5.1	5.3	4.4	4.9	5.0
Inventories/shipments	4.7	5.3	4.8	5.1	5.8	5.0	5.0
Share of total shipments:							
Internal consumption/transfers	5.1	3.3	3.0	4.7	4.9	1.2	1.2
Home market	6.6	5.0	6.8	10.7	13.2	7.5	8.6
Exports to:							
United States	61.6	62.8	63.0	51.8	51.8	67.8	67.5
All other markets	26.8	29.0	27.2	32.8	30.2	23.5	22.7
Total exports	88.3	91.8	90.2	84.6	82.0	91.3	90.2
Source: Compiled from data submitted in response to Commission questionnaires.							

U.S. INVENTORIES OF NARROW WOVEN RIBBONS

Data collected in these investigations on U.S. importers' end-of-period inventories of narrow woven ribbons are presented in table VII-5.¹⁸ U.S. importer's reported inventories of narrow woven ribbons from China and Taiwan increased each year, by a total of 18.1 percent and 16.5 percent, respectively from 2006 to 2008. Similarly, as a ratio of imports, inventories of imports from China and Taiwan also increased, by 6.3 and 8.5 percentage points respectively.¹⁹ Ratio of inventories to U.S. shipments and as a ratio of total shipments increased for both China and Taiwan during 2006-08.²⁰

The ratio of inventories to subject imports was higher in interim 2009 compared with interim 2008 by 6.3 percentage points. Likewise, the ratio of U.S. shipments of subject imports was also higher in interim 2009 compared with interim 2008, increasing by 5.1 percentage points in interim 2009. Similarly, the ratio of total shipments was higher in interim 2009 compared with interim 2008, increasing 4.1 percentage points.²¹

¹⁸ Thirty-nine importers reported end-of-period inventories. Eighteen importers, representing almost 25 percent of total reported quantity of subject imports in 2008, reported imports from subject sources but did not report inventories. Many of these importers reported retail shipments to final consumers, including ***.

¹⁹ In 2008, the importers with the largest ratios were ***, each with inventories of over 5 percent of total subject imports. Of these companies, *** had the lowest ratio of inventories to the firm's subject imports.

²⁰ U.S. importers' inventories of U.S. imports from China and Taiwan to U.S. shipments increased by 7.1 and 7.9 percentage points, respectively. These inventories as a ratio of total shipments increased by 6.6 and 7.4 percentage points, respectively.

²¹ Importer *** reported that its inventories are higher in the interim periods than the full year average, as it ***.

*** accounted for the largest increase in inventories of subject imports between 2006 and 2007, reporting an increase of *** percent (*** square yards).²² Between 2007 and 2008, *** accounted for the largest decline in inventories of subject imports, with a decrease of *** square yards (*** percent).²³ *** reported that ***.²⁴

Table VII-5

Narrow woven ribbons: U.S. importers' end-of-period inventories of imports, by source, 2006-08, January-March 2008, and January-March 2009

Source	Calendar year			January-March	
	2006	2007	2008	2008	2009
Imports from China:					
Inventories (1,000 square yards)	3,219	3,661	3,803	3,934	3,795
Ratio of inventories to imports (percent)	42.7	45.1	49.0	70.9	77.6
Ratio of U.S. shipments of imports (percent)	43.0	46.2	50.1	75.5	84.9
Ratio of total shipments of imports (percent)	40.8	43.9	47.4	72.3	80.1
Imports from Taiwan:					
Inventories (1,000 square yards)	2,924	3,307	3,406	3,271	3,226
Ratio of inventories to imports (percent)	24.2	28.2	32.6	41.0	46.7
Ratio of U.S. shipments of imports (percent)	25.3	30.1	33.2	41.1	44.3
Ratio of total shipments of imports (percent)	24.8	29.4	32.1	39.6	42.2
Imports from all subject sources:					
Inventories (1,000 square yards)	6,143	6,968	7,209	7,205	7,021
Ratio of inventories to imports (percent)	31.3	35.1	39.6	53.2	59.5
Ratio of U.S. shipments of imports (percent)	32.2	36.9	40.4	54.7	59.8
Ratio of total shipments of imports (percent)	31.2	35.6	38.7	52.5	56.7
Imports from all other sources:					
Inventories (1,000 square yards)	778	804	840	857	742
Ratio of inventories to imports (percent)	54.7	62.1	69.5	78.9	90.3
Ratio of U.S. shipments of imports (percent)	57.7	64.7	73.0	96.1	99.8
Ratio of total shipments of imports (percent)	57.2	63.9	71.8	93.7	99.2
Imports from all sources:					
Inventories (1,000 square yards)	6,921	7,772	8,049	8,062	7,763
Ratio of inventories to imports (percent)	32.8	36.7	41.5	55.2	61.5
Ratio of U.S. shipments of imports (percent)	33.9	38.6	42.3	57.3	62.1
Ratio of total shipments of imports (percent)	32.9	37.3	40.7	55.1	59.1
Note.—Ratios are based on annualized import and shipments data.					
Source: Compiled from data submitted in response to Commission questionnaires.					

²² This and other importer increases were partially offset by a decline in inventories, the largest of which were by ***.

²³ This and other importer decreases were partially offset by a increase in inventories, the largest of which were by ***.

²⁴ ***, supplemental response to U.S. importers' questionnaire, August 3, 2009.

U.S. IMPORTERS' CURRENT ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of narrow woven ribbons from China, Taiwan and all other sources after March 31, 2009. Of the forty-nine importers that reported data, the majority reported imports from China in July-September.²⁵ As noted previously, the Respondents argued that the market and imports for narrow woven ribbons is seasonal, and there is usually an increase in imports in the second half of the year to coincide with the peak holiday season.²⁶

Table VII-6

Narrow woven ribbons: U.S. importers' orders for delivery subsequent to March 31, 2009, by period

Source	April-June 2009	July-Sept 2009	Oct-Dec 2009	After Dec 2009	Total
Quantity (1,000 square yards)					
China	1,227	2,479	734	241	4,681
Taiwan	1,387	3,373	1,403	7,411	13,574
All other sources	167	151	43	0	361
Total	2,782	6,003	2,179	7,653	18,617
Source: Compiled from data submitted in response to Commission questionnaires.					

ANTIDUMPING AND COUNTERVAILING DUTY INVESTIGATIONS IN THIRD-COUNTRY MARKETS

There is no indication that narrow woven ribbons have been the subject of antidumping or countervailing duty findings or remedies in any WTO-member country.

²⁵ The importers who reported the largest total imports from China were ***. *** reported the largest imports from Taiwan, while *** reported the largest imports from all other sources.

²⁶ Conference transcript, p. 128 (Vaughn).

APPENDIX A
***FEDERAL REGISTER* NOTICES**

Comments may also be submitted to DHS via facsimile to 202-272-8352 or via e-mail at rfs.regs@dhs.gov. When submitting comments by e-mail, please make sure to add OMB Control No. 1615-0061 in the subject box. Written comments and suggestions from the public and affected agencies concerning the collection of information should address one or more of the following four points:

(1) Evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) Evaluate the accuracy of the agencies estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;

(3) Enhance the quality, utility, and clarity of the information to be collected; and

(4) Minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Overview of this Information Collection:

(1) *Type of Information Collection:* Extension of an existing information collection.

(2) *Title of the Form/Collection:* Notice of Immigration Pilot Program.

(3) *Agency form number, if any, and the applicable component of the Department of Homeland Security sponsoring the collection:* File No. OMB-5; U.S. Citizenship and Immigration Services (USCIS).

(4) *Affected public who will be asked or required to respond, as well as a brief abstract:* *Primary:* Individuals or households. The information collected will be used by USCIS to determine which regional centers should participate in the immigration pilot program.

(5) *An estimate of the total number of respondents and the amount of time estimated for an average respondent to respond:* 50 responses at 40 hours per response.

(6) *An estimate of the total public burden (in hours) associated with the collection:* 2,000 annual burden hours.

If you need a copy of the information collection, please visit the Web site at: <http://www.regulations.gov/>.

We may also be contacted at: USCIS, Regulatory Products Division, 111 Massachusetts Avenue, NW.,

Washington, DC 20529-2210,
Telephone number 202-272-8377.

Dated: July 10, 2009.

Stephen Tarragon,

*Deputy Chief, Regulatory Products Division,
U.S. Citizenship and Immigration Services,
Department of Homeland Security.*

[FR Doc. E9-16799 Filed 7-14-09; 8:45 am]

BILLING CODE 9111-97-P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701-TA-467 and 731-TA-1164-1165 (Preliminary)]

Narrow Woven Ribbons With Woven Selvage From China and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Institution of antidumping and countervailing duty investigations and scheduling of preliminary phase investigations.

SUMMARY: The Commission hereby gives notice of the institution of investigations and commencement of preliminary phase antidumping and countervailing duty investigations Nos. 701-TA-467 and 731-1164-1165 (Preliminary) under section 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a) and 1673b(a)) (the Act) to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from China and Taiwan of narrow woven ribbons with woven selvage, provided for in subheading 5806.32 of the Harmonized Tariff Schedule of the United States, that are alleged to be subsidized by the Government of China. Unless the Department of Commerce extends the time for initiation pursuant to section 702(c)(1)(B) of the Act (19 U.S.C. 1671a(c)(1)(B)), the Commission must reach a preliminary determination in antidumping and countervailing duty investigations in 45 days, or in this case by August 24, 2009. The Commission's views are due at Commerce within five business days thereafter, or by August 31, 2009.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and B (19 CFR part 207).

DATES: *Effective Date:* July 9, 2009.

FOR FURTHER INFORMATION CONTACT:

Nathanael Comly (202-205-3174), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for these investigations may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to a petition filed on July 9, 2009, by Berwick Offray LLC and its wholly-owned subsidiary Lion Ribbon Company, Inc., Berwick, PA.

Participation in the investigations and public service list.—Persons (other than petitioners) wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in sections 201.11 and 207.10 of the Commission's rules, not later than seven days after publication of this notice in the **Federal Register**. Industrial users and (if the merchandise under investigation is sold at the retail level) representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these investigations available to authorized applicants representing interested parties (as defined in 19 U.S.C. 1677(9)) who are parties to the investigations under the APO issued in the investigations, provided that the application is made not later than seven days after the publication of this notice in the **Federal Register**. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Conference.—The Commission's Director of Investigations has scheduled a conference in connection with these investigations for 9:30 a.m. on July 30, 2009, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Nathanael Comly (202–205–3174) not later than July 27, 2009, to arrange for their appearance. Parties in support of the imposition of antidumping and countervailing duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

Written submissions.—As provided in sections 201.8 and 207.15 of the Commission's rules, any person may submit to the Commission on or before August 4, 2009, a written brief containing information and arguments pertinent to the subject matter of the investigations. Parties may file written testimony in connection with their presentation at the conference no later than three days before the conference. If briefs or written testimony contain BPI, they must conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.12 of the Commission's rules.

Issued: July 9, 2009.

By order of the Commission.
Marilyn R. Abbott,
Secretary to the Commission.
 [FR Doc. E9–16747 Filed 7–14–09; 8:45 am]
BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA–421–7]

Certain Passenger Vehicle and Light Truck Tires From the People's Republic of China

Determination

On the basis of information developed in the subject investigation, the United States International Trade Commission (Commission) determined, pursuant to section 421(b)(1) of the Trade Act of 1974,¹ that certain passenger vehicle and light truck tires² from the People's Republic of China are being imported into the United States in such increased quantities or under such conditions as to cause or threaten to cause market disruption to the domestic producers of like or directly competitive products¹ (74 FR 30321, June 25, 2009).

Recommendation on Proposed Remedy²

Chairman Shara L. Aranoff and Commissioners Charlotte R. Lane, Irving A. Williamson, and Dean A. Pinkert propose that the President, for a three-year period, impose a duty, in addition to the current rate of duty, on imports of certain passenger vehicle and light truck tires from China as follows: 55 percent *ad valorem* in the first year, 45 percent *ad valorem* in the second year, and 35 percent *ad valorem* in the third year. They further propose that, if applications are filed, the President direct the U.S. Department of Labor and the U.S. Department of Commerce to provide expedited consideration of Trade Adjustment Assistance for firms and/or workers that are affected by subject imports.

Background

The Commission instituted this investigation effective April 24, 2009 following receipt of a petition filed by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Pittsburgh, PA.

¹ Vice Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun made a negative determination.

² Vice Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun, having made a negative determination regarding market disruption, were not eligible to vote on a proposed remedy.

Notice of the institution of the Commission's investigation and of the scheduling of a public hearing to be held in connection therewith was given by posting a copy of the notice on the Commission's Web site (<http://www.usitc.gov>) and by publishing the notice in the **Federal Register** of April 29, 2009 (74 FR 19593). The hearing was held on June 2, 2009 in Washington, DC; all persons who requested the opportunity were permitted to appear in person or by counsel.

The views of the Commission are contained in USITC Publication 4085 (July 2009), entitled *Certain Passenger Vehicle and Light Truck Tires from China: Investigation No. TA–421–7*.

Issued: July 9, 2009.

By order of the Commission.

Marilyn R. Abbott,
Secretary to the Commission.
 [FR Doc. E9–16749 Filed 7–14–09; 8:45 am]
BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993 National Fluid Power Association Technology Roadmap Joint Development Process

Notice is hereby given that, on May 21, 2009, pursuant to section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* ("the Act"), National Fluid Power Association Technology Roadmap Joint Development Process ("NFPA Technology Roadmap") has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing (1) The identities of the parties to the venture and (2) the nature and objectives of the venture. The notifications were filed for the purpose of invoking the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances.

Pursuant to section 6(b) of the Act, the identities of the parties to the venture are: Bimba Manufacturing, Monee, IL; Bosch Rexroth, Hoffman Estates, IL; Caterpillar, Joliet, IL; Center for Compact and Efficient Fluid Power, Minneapolis, MN; Deltrol Fluid Products, Bellwood, IL; Eaton Corporation, Eden Prairie, MN; Enfield Technologies, Trumbull, CT; Festo Corporation, Hauppauge, NY; Gates Corporation, Denver, CO; HUSCO International, Waukesha, WI; Lynch

comments, or at a hearing, if requested, within 120 days of publication of these preliminary results.

Assessment Rate

Pursuant to 19 CFR 351.212(b), the Department calculated an assessment rate for each importer of the subject merchandise. Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (i.e., at or above 0.5 percent), the Department will issue appraisal instructions directly to CBP to assess antidumping duties on appropriate entries by applying the assessment rate to the entered value of the merchandise. For assessment purposes, we calculated importer-specific assessment rates for the subject merchandise by aggregating the dumping margins for all U.S. sales to each importer and dividing the amount by the total entered value of the sales to that importer. Where appropriate, to calculate the entered value, we subtracted international movement expenses (e.g., international freight) from the gross sales value. For the responsive companies which were not selected for individual review, we have calculated an assessment rate based on the simple average of the cash deposit rates calculated for the companies selected for individual review.

The Department clarified its "automatic assessment" regulation on May 6, 2003 (68 FR 23954). This clarification will apply to entries of subject merchandise during the POR produced by companies included in these preliminary results of review for which the reviewed companies did not know their merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction. For a full discussion of this clarification, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

Cash Deposit Requirements

To calculate the cash deposit rate for PAM and Garofalo, we divided its total dumping margin by the total net value of its sales during the review period. For the responsive companies which were not selected for individual review, we have calculated a cash deposit rate based on the simple average of the cash deposit rates calculated for the companies selected for individual review.

The following deposit rates will be effective upon publication of the final results of this administrative review for all shipments of pasta from Italy entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) The cash deposit rate for companies subject to this review will be the rate established in the final results of this review, except if the rate is less than 0.5 percent and, therefore, *de minimis*, no cash deposit will be required; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent final results for a review in which that manufacturer or exporter participated; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value ("LTFV") investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent final results for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 15.45 percent, the all-others rate established in the LTFV investigation. See *Implementation of the Findings of the WTO Panel in U.S.—Zeroing (EC): Notice of Determination Under Section 129 of the Uruguay Round Agreements Act and Revocations and Partial Revocations of Certain Antidumping Duty Orders*, 72 FR 25261 (May 4, 2007). These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and increase the subsequent assessment of the antidumping duties by the amount of antidumping duties reimbursed.

These preliminary results of administrative review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: July 31, 2009.

John M. Andersen,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. E9-18884 Filed 8-5-09; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-952, A-583-844]

Narrow Woven Ribbons with Woven Selvage from the People's Republic of China and Taiwan: Initiation of Antidumping Duty Investigations

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: August 6, 2009.

FOR FURTHER INFORMATION CONTACT:

Elizabeth Eastwood at (202) 482-3874 or Miriam Eqab at (202) 482-3693 (Taiwan), AD/CVD Operations, Office 2; Maisha Cryor at (202) 482-5831 or Zhulieta Willbrand at (202) 482-3147 (the People's Republic of China (the "PRC")), AD/CVD Operations, Office 4, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On July 9, 2009, the Department of Commerce (the "Department") received petitions concerning imports of narrow woven ribbons with woven selvage ("narrow woven ribbon") from the PRC and Taiwan filed in proper form by Berwick Offray LLC and its wholly-owned subsidiary Lion Ribbon Company, Inc. (collectively, the "Petitioner"). See Petitions for the Imposition of Antidumping and Countervailing Duties on Narrow Woven Ribbons with Woven Selvage from the People's Republic of China and Taiwan dated July 9, 2009 (the "Petitions"). On July 14, 2009, the Department contacted the Petitioner by telephone seeking additional information and clarification regarding the Petition. See Memo to the File from Matthew Glass, "Scope Call with the Petitioner," dated July 14, 2009. On July 15, 2009, and July 22, 2009, the Department issued a request for additional information and clarification of certain areas of the Petitions. Also, on July 23, 2009, the Department contacted the Petitioner by telephone seeking additional information and clarification

regarding the Petitions. See Memo to the File from Meredith A.W. Rutherford, "General Issues Discussion with the Petitioner," dated July 23, 2009. Based on the Department's requests, the Petitioner filed additional information on July 21, 2009 (hereinafter, Supplement to the AD/CVD Petitions, dated July 21, 2009) and July 27, 2009 (hereinafter, Second Supplement to the AD/CVD Petitions, dated July 27, 2009). On July 28, 2009, the Department again contacted the Petitioner by telephone seeking additional information and clarification regarding certain general issues of the Petitions. See Memo to the File from Meredith A.W. Rutherford, "Phone Call with the Petitioner," dated July 28, 2009, and Memo to the File from Elizabeth Eastwood, "Scope Calls with the Petitioner," dated July 29, 2009. Based on the Department's requests, the Petitioner timely filed additional information pertaining to the Petition on July 29, 2009 (hereinafter, Third Supplement to the AD/CVD Petitions, dated July 29, 2009). The period of investigation ("POI") for the PRC is January 1, 2009, through June 30, 2009. The POI for Taiwan is July 1, 2008, through June 30, 2009. See 19 CFR 351.204(b)(1).

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the "Act"), the Petitioner alleges that imports of narrow woven ribbon from the PRC and Taiwan are being, or are likely to be, sold in the United States at less than fair value, within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States.

The Department finds that the Petitioner filed the Petitions on behalf of the domestic industry because the Petitioner is an interested party as defined in section 771(9)(C) of the Act and has demonstrated sufficient industry support with respect to the antidumping duty investigations that the Petitioner is requesting that the Department initiate (see "Determination of Industry Support for the Petitions" section below).

Scope of Investigations

The products covered by these investigations are narrow woven ribbons with woven selvage from the PRC and Taiwan. For a full description of the scope of the investigations, please see the "Scope of Investigations," in Appendix I of this notice.

Comments on Scope of Investigations

During our review of the Petitions, we discussed the scope with the Petitioner to ensure that it is an accurate reflection

of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (*Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by August 18, 2009, twenty calendar days from the signature date of this notice. Comments should be addressed to Import Administration's APO/Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

Comments on Product Characteristics for Antidumping Duty Questionnaires

We are requesting comments from interested parties regarding the appropriate physical characteristics of narrow woven ribbon to be reported in response to the Department's antidumping questionnaires. This information will be used to identify the key physical characteristics of the subject merchandise in order to more accurately report the relevant factors and costs of production, as well as to develop appropriate product comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate listing of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as 1) general product characteristics and 2) the product comparison criteria. We note that it is not always appropriate to use all product characteristics as product comparison criteria. We base product comparison criteria on meaningful commercial differences among products. In other words, while there may be some physical product characteristics utilized by manufacturers to describe narrow woven ribbon, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in product matching. Generally, the Department attempts to list the most important physical characteristics first

and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the antidumping duty questionnaires, we must receive comments at the above-referenced address by August 18, 2009. Additionally, rebuttal comments must be received by August 25, 2009.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the industry.

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission ("ITC"), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (see section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (Ct. Int'l Trade 2001), citing *Algoma Steel*

Corp., Ltd. v. United States, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the Petitioner does not offer a definition of domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that narrow woven ribbon constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, see Antidumping Duty Investigation Initiation Checklist: Narrow woven ribbon from the PRC ("PRC Initiation Checklist") at Attachment II, Industry Support, and Antidumping Duty Investigation Initiation Checklist: Narrow woven ribbon from Taiwan ("Taiwan Initiation Checklist") at Attachment II, Industry Support, dated concurrently with this notice and on file in the Central Records Unit ("CRU"), Room 1117 of the main Department of Commerce building.

In determining whether the Petitioner has standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the "Scope of Investigations" section above. To establish industry support, the Petitioner provided its production of the domestic like product for the year 2008, and compared this to the estimated total production of the domestic like product for the entire domestic industry. See Volume I of the Petition, at 7, and Exhibits 2, 4, and 5, Supplement to the AD/CVD Petitions, dated July 21, 2009, at A-9-11, Second Supplement to the AD/CVD Petitions, dated July 27, 2009, at A-1-2 and Exhibit 117, and Third Supplement to the AD/CVD Petitions, dated July 29, 2009, at Attachment II. To estimate 2008 production of the domestic like product, the Petitioner used its own data and industry specific knowledge. The Petitioner calculated total domestic production based on its own production plus estimates from the nine other producers of the domestic

like product in the United States. See *id.*; see also PRC Initiation Checklist at Attachment II, and Taiwan Initiation Checklist at Attachment II.

Our review of the data provided in the Petitions, supplemental submissions, and other information readily available to the Department indicates that the Petitioner has established industry support. First, the Petitions established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (e.g., polling). See section 732(c)(4)(D) of the Act; see also PRC Initiation Checklist at Attachment II, and Taiwan Initiation Checklist at Attachment II. Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product. See PRC Initiation Checklist at Attachment II, and Taiwan Initiation Checklist at Attachment II. Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions. Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act. See *id.*

The Department finds that the Petitioner filed the Petitions on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act and it has demonstrated sufficient industry support with respect to the antidumping duty investigations that it is requesting the Department initiate. See *id.*

Allegations and Evidence of Material Injury and Causation

The Petitioner alleges that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value ("NV"). In addition, the Petitioner alleges that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

The Petitioner contends that the industry's injured condition is

illustrated by reduced market share, underselling and price depressing and suppressing effects, increased import penetration, lost sales and revenue, reduced production, reduced capacity, reduced capacity utilization, reduced shipments, reduced employment, and an overall decline in financial performance. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. See PRC Initiation Checklist at Attachment III, Injury, and Taiwan Initiation Checklist at Attachment III, Injury.

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate these investigations of imports of narrow woven ribbon from the PRC and Taiwan. The sources of data for the deductions and adjustments relating to the U.S. price, the factors of production (for the PRC) and constructed value ("CV") (for Taiwan) are also discussed in the country-specific initiation checklists. See PRC Initiation Checklist and Taiwan Initiation Checklist. Should the need arise to use any of this information as facts available under section 776 of the Act in our preliminary or final determinations, we will reexamine the information and revise the margin calculations, if appropriate.

Export Price

The PRC

For the PRC, the Petitioner calculated export price ("EP") based on a price quote made during the POI for narrow woven ribbon products by a Chinese producer, sale term free on board ("FOB"). See PRC Initiation Checklist; see also Volume I of the Petitions at 24. To be conservative, the Petitioner did not make specific adjustments to the EP for domestic inland freight from the plant to the Chinese port. *Id.* However, the Petitioner did make an adjustment for foreign brokerage and handling. *Id.* Specifically, the Petitioner calculated PRC brokerage and handling by using the brokerage and handling surrogate value from *Certain Steel Grating from the People's Republic of China: Initiation of Antidumping Duty Investigation*, 74 FR 30273 (June 25, 2009) ("*Steel Grating From China*"), and adjusted it for inflation for the POI. See *Steel Grating From China*, 74 FR at

30276; *see also* Supplement to the AD/CVD Petitions, dated July 21, 2009, at 4 and Exhibit 93; and PRC Initiation Checklist. In addition, the Petitioner converted brokerage and handling expenses into U.S. dollars based on the POI-average rupee/U.S. dollar exchange rate, as reported on the Department's website. *See* Volume II of the Petitions, at Exhibit 42, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 98.

Taiwan

For Taiwan, the Petitioner calculated EP based on price quotes made during the POI for narrow woven ribbon products from a Taiwan producer/exporter, sale term FOB. *See* Taiwan Initiation Checklist; *see also* Volume I of the Petitions at 28–29 and Volume II of the Petitions at Exhibits 58, 59, and 60. To be conservative, the Petitioner did not make specific adjustments to the EP for domestic inland freight from the plant to the Taiwanese port. *See id.* However, the Petitioner did make an adjustment for foreign brokerage and handling. *See id.* Specifically, the Petitioner calculated Taiwanese brokerage and handling using Taiwan-specific brokerage and handling expenses. *See* Volume II of the Petitions, at Exhibit 59; *see also* Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 108 and Taiwan Initiation Checklist.

Normal Value

The PRC

The Petitioner states that the PRC is a non-market economy (“NME”) country and no determination to the contrary has been made by the Department. *See* Volume I of the Petitions, at 19. The Petitioner states that the Department has treated the PRC as an NME country in every administrative proceeding in which the PRC has been involved, and has continued to do so in recent months. *See id.*; *see also* *Citric Acid and Certain Citrate Salts From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 74 FR 16838 (April 13, 2009); *see also* *Certain Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 74 FR 14514 (March 31, 2009).

In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the

Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product for the PRC investigation is appropriately based on factors of production valued in a surrogate market-economy country in accordance with section 773(c) of the Act. In the course of the PRC investigation, all parties, including the public, will have the opportunity to provide relevant information related to the issue of the PRC's NME status and the granting of separate rates to individual exporters.

Citing section 773(c)(4) of the Act, the Petitioner contends that India is the appropriate surrogate country for the PRC because: 1) it is at a level of economic development comparable to that of the PRC; and 2) it is a significant producer of narrow woven ribbon. *See* Volume I of the Petitions at 19–21, and Volume II of the Petitions, at Exhibit 32. Based on the information provided by the Petitioner, we believe that it is appropriate to use India as a surrogate country for initiation purposes. After initiation of the investigation, interested parties will have the opportunity to submit comments regarding surrogate-country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value factors of production within 40 days after the date of publication of the preliminary determination.

The Petitioner calculated the NV and dumping margins for the U.S. price, discussed above, using the Department's NME methodology as required by 19 CFR 351.202(b)(7)(i)(C) and 19 CFR 351.408. The Petitioner calculated NV based on its own consumption rates for producing narrow woven ribbon in 2009. *See* Volume I of the Petitions at 18, and Volume II of the Petitions, at Exhibit 29, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 95. In calculating NV, the Petitioner based the quantity of each of the inputs used to manufacture and pack narrow woven ribbon in the PRC based on an analysis of Chinese narrow woven ribbon samples obtained by the Petitioner, as well as on its own production experience during the POI. *See id.* The Petitioner states that the actual usage rates of the foreign manufacturers of narrow woven ribbon are not reasonably available to it; however, the Petitioner notes that the production of narrow woven ribbon relies on the same basic technology worldwide. *See* Volume I of the Petitions at 18. The Petitioner asserts that the Chinese producers of narrow woven ribbon use largely the same production equipment, material inputs,

and production processes as the Petitioner itself. *See* Volume I of the Petitions at 18, and Exhibit 27, and Volume II of the Petitions, at Exhibit 29.

Raw materials (e.g., yarn) are significant inputs used in the production of narrow woven ribbon. The Petitioner determined the consumption of all raw materials and packing materials based on examination and analysis of samples of white single face satin narrow woven ribbon and black single face satin narrow woven ribbon from the PRC as well as its own production experience. *See* Volume I of the Petitions at 18, and Volume II of the Petitions at Exhibit 29, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 95. The Petitioner valued the factors of production based on reasonably available, public surrogate-country data, including Indian import statistics from the World Trade Atlas (“WTA”). *See* Volume I of the Petitions, at 21, and Volume II of the Petitions, at Exhibit 34. The Petitioner excluded from these import statistics imports from countries previously determined by the Department to be NME countries and from Indonesia, the Republic of Korea, and Thailand as the Department has previously excluded prices from these countries because they maintain broadly available, non-industry-specific export subsidies. *See* Volume I of the Petition at 22. In addition, the Petitioner made currency conversions, where necessary, based on the POI-average rupee/U.S. dollar exchange rate, as reported on the Department's website. *See* Volume I of the Petitions, at 23, and Volume II of the Petitions, at Exhibit 42. Further, the Petitioner inflated certain factors of production, where necessary, on a POI basis. *See* Volume I of the Petitions, at 23, and Volume II of the Petitions, at Exhibit 41. The Petitioner determined labor costs using the labor consumption, in hours, derived from its own experience. *See* Volume II of the Petitions, at Exhibit 29, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 95. The Petitioner valued labor costs using the Department's NME Wage Rate for the PRC at <http://ia.ita.doc.gov/wages/05wages/05wages-051608.html>. *See* Volume I of the Petitions, at 22, and Volume II of the Petitions, at Exhibit 35. For purposes of initiation, the Department determines that the surrogate values used by the Petitioner are reasonably available and, thus, acceptable for purposes of initiation.

The Petitioner determined electricity costs using the electricity consumption, in kilowatt hours, derived from its own experience. *See* Volume I of the

Petitions, at 22, and Volume II of the Petitions, at Exhibits 29 and 43, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 95. The Petitioner valued electricity using the Indian electricity rate reported by the Central Electric Authority of the Government of India. *See* Volume I of the Petitions, at 22, and Volume II of the Petitions, at Exhibit 36.

The Petitioner determined natural gas costs using the natural gas consumption derived from its own experience. *See* Volume I of the Petitions, at 22, and Volume II of the Petitions, at Exhibit 29. The Petitioner valued natural gas using the Indian rate reported by the Gas Authority of India, Ltd. *See* Volume I of the Petitions, at 22, and Volume II of the Petitions, at Exhibit 38. The Petitioner adjusted the Indian natural gas rates to make them contemporaneous with the POI using Indian wholesale price indices as published by the International Monetary Fund. *See* Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 97.

The Petitioner determined water costs using the water consumption derived from its own experience. *See* Volume I of the Petitions, at 22, and Volume II of the Petitions, at Exhibit 29. The Petitioner valued water based on information from the Maharashtra Industrial Development Corporation, which is contemporaneous with the POI. *See* Volume I of the Petitions, at 22, and Volume II of the Petitions at 22, and Exhibit 37.

The Petitioner based factory overhead, selling, general and administrative ("SG&A"), and profit on data from Ratan Glitter Industries Ltd. ("Ratan"), a ribbon producer, for the fiscal year April 2007 through March 2008. *See* Volume I of the Petitions, at 23, and Volume II of the Petitions, at Exhibit 39. The Petitioner states that Ratan is an Indian producer of in-scope ribbon. *See* Volume I of the Petitions at 23. Therefore, for purposes of the initiation, the Department finds the Petitioner's use of Ratan's financial ratios appropriate.

Taiwan

With respect to NV for the Taiwan investigation, the Petitioner states that neither home-market prices nor third-country POI prices of narrow woven ribbon produced in Taiwan were reasonably available. According to the Petitioner, it was unsuccessful in obtaining Taiwanese POI pricing information despite its best efforts. *See* Volume I of the Petitions at 16–17, and Exhibit 2. Further, the Petitioner claims it was unable to base NV on publicly available information covering

Taiwanese third-country export prices because exports of narrow woven ribbon from Taiwan are classified in Taiwan's export schedule under Harmonized Tariff Schedule ("HTS") number 5806.32.1000. According to the Petitioner, this HTS category includes both in-scope and out-of-scope ribbons including typewriter ribbons, ribbons exceeding 12 centimeters in width, and ribbons without woven selvedge. Therefore, the Petitioner based NV on CV.

Pursuant to section 773(e) of the Act, CV consists of the cost of manufacturing ("COM"), SG&A expenses, packing expenses, and profit. In calculating COM and packing, the Petitioner based the quantity of each of the inputs used to manufacture and pack narrow woven ribbon in Taiwan based on an analysis of Taiwanese narrow woven ribbon samples obtained by the Petitioner, as well as on its own production experience during the POI. *See* Volume I of the Petitions, at 18, Volume II of the Petitions, at Exhibit 29, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 95. The Petitioner states that the actual usage rates of the foreign manufacturers of narrow woven ribbon are not reasonably available to it; however, the Petitioner notes that the production of narrow woven ribbon relies on the same basic technology worldwide. The Petitioner asserts that the Taiwanese producers of narrow woven ribbon use largely the same production equipment, material inputs, and production processes as the Petitioner itself. *See* Volume I of the Petitions at 18 and Exhibit 27.

The Petitioner multiplied the usage quantities of the inputs used to manufacture and pack narrow woven ribbon by the Taiwanese values based on publicly available data. *See* Volume I of the Petitions, at 25–28 and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibits 105, 106, and 107.

Raw materials (e.g., yarn) are significant inputs used in the production of narrow woven ribbon. The Petitioner determined the consumption of all raw materials and packing materials based on examination and analysis of samples of white single face satin narrow woven ribbon and black single face satin narrow woven ribbon from Taiwan, as well as its own production experience. *See* Volume I of the Petitions at 18, Volume II of the Petitions, at Exhibit 29, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 95. The Petitioner valued all raw materials and packing materials using Taiwanese import statistics as reflected in the WTA data

for the POI. The Petitioner excluded from these import statistics imports from countries previously determined by the Department to be NME countries and from India, Indonesia, the Republic of Korea, and Thailand as the Department has previously excluded prices from these countries because they maintain broadly available, non-industry-specific export subsidies. *See* Volume I of the Petitions at 26 and Volume II of the Petitions, at Exhibit 48. Because Taiwanese import statistics report import values in Taiwanese dollars, the Petitioner converted the import values into U.S. dollars using the Department's POI exchange rates. *See* Volume I of the Petitions at 28 and Volume II of the Petitions, at Exhibit 56.

The Petitioner determined labor costs using the labor consumption in hours derived from its own experience. As the Petitioner did not have access to the cost of labor inputs in the production of narrow woven ribbon in Taiwan, it relied on data available from the International Labour Organization's database at <http://laborsta.ilo.org> to determine the average wage rate in Taiwan. *See* Volume I of the Petitions at 34 and Volume II of the Petitions, at Exhibit 49. The Petitioner adjusted Taiwanese labor rates to make them contemporaneous with the POI using Taiwanese wholesale price indices as published by the Directorate General of Budget, Accounting and Statistics, Republic of China. The Petitioner converted the Taiwanese labor rates into U.S. dollars using the Department's POI exchange rates. *See* Volume I of the Petitions at 26, Volume II of the Petitions, at Exhibit 49, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 106.

The Petitioner determined the costs of electricity, water, and natural gas using consumption amounts derived from its own experience. The Petitioner valued electricity and natural gas using the Taiwanese electricity and natural gas rates for the industry reported by the Energy Information Administration at <http://www.eia.doe.gov/emeu/international/>. Because Taiwanese electricity and natural gas rates are reported in U.S. dollars, the Petitioner did not make currency conversions. The Petitioner adjusted the Taiwanese electricity and natural gas rates to make them contemporaneous with the POI using Taiwanese wholesale price indices as published by the Directorate General of Budget, Accounting and Statistics, Republic of China. *See* Volume I of the Petitions at 26; Volume II of the Petitions, at Exhibits 50, 52, and 55, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit

106. The Petitioner valued water using the Taiwanese rates published by Taiwan Water Corporation, which are contemporaneous with the POI. The Petitioner converted the Taiwanese water rates into U.S. dollars using the Department's POI exchange rates. *See* Volume I of the Petitions at 26; Volume II of the Petitions at Exhibit 51, and Supplement to the AD/CVD Petitions, dated July 21, 2009, at C 2.

To calculate factory overhead, SG&A, interest expenses, and a profit rate, the Petitioner relied on financial statements of a Taiwanese producer of textile products, Far Eastern Textile Ltd. *See* Supplement to the AD/CVD Petitions, dated July 21, 2009, at C 3, and Exhibits 103 and 104. *See also* Taiwan Initiation Checklist.

Fair-Value Comparisons

Based on the data provided by the Petitioner, there is reason to believe that imports of narrow woven ribbon from the PRC and Taiwan are being, or are likely to be, sold in the United States at less than fair value. Based on a comparison of EPs and NV calculated in accordance with section 773(c) of the Act, the estimated dumping margins for narrow woven ribbon from the PRC range from 208.80 percent to 231.40 percent. *See* PRC Initiation Checklist. Based on a comparison of EPs and CV calculated in accordance with section 773(a)(4) of the Act, the estimated dumping margins for narrow woven ribbon from Taiwan range from 116.60 percent to 137.20 percent. *See* Taiwan Initiation Checklist.

Initiation of Antidumping Investigations

Based upon the examination of the Petitions on narrow woven ribbon from the PRC and Taiwan, the Department finds that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating antidumping duty investigations to determine whether imports of narrow woven ribbon from the PRC and Taiwan are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Targeted-Dumping Allegations

On December 10, 2008, the Department issued an interim final rule for the purpose of withdrawing 19 CFR 351.414(f) and (g), the regulatory provisions governing the targeted-dumping analysis in antidumping duty

investigations, and the corresponding regulation governing the deadline for targeted-dumping allegations, 19 CFR 351.301(d)(5). *See Withdrawal of the Regulatory Provisions Governing Targeted Dumping in Antidumping Duty Investigations*, 73 FR 74930 (December 10, 2008). The Department stated that “{w}ithdrawal will allow the Department to exercise the discretion intended by the statute and, thereby, develop a practice that will allow interested parties to pursue all statutory avenues of relief in this area.” *See id.* at 74931.

In order to accomplish this objective, if any interested party wishes to make a targeted-dumping allegation in any of these investigations pursuant to section 777A(d)(1)(B) of the Act, such allegations are due no later than 45 days before the scheduled date of the country-specific preliminary determination.

Respondent Selection

The PRC

For this investigation, the Department will request quantity and value information from all known exporters and producers identified with complete contact information in the Petitions. The quantity and value data received from NME exporters/producers will be used as the basis to select the mandatory respondents.

The Department requires that the respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. *See Circular Welded Austenitic Stainless Pressure Pipe from the People's Republic of China: Initiation of Antidumping Duty Investigation*, 73 FR 10221, 10225 (February 26, 2008); *Initiation of Antidumping Duty Investigation: Certain Artist Canvas From the People's Republic of China*, 70 FR 21996, 21999 (April 28, 2005). The Department will post the quantity and value questionnaire along with the filing instructions on the Import Administration website at <http://ia.ita.doc.gov/ia-highlights-and-news.html> and a response to the quantity and value questionnaire is due no later than August 19, 2009. Also, the Department will send the quantity and value questionnaire to those PRC companies identified in the Supplement to the AD/CVD Petitions, dated July 21, 2009, at Exhibit 116, and Second Supplemental to the AD/CVD Petitions, dated July 27, 2009, at B1-B4.

Taiwan

For this investigation, the Department intends to select respondents based on U.S. Customs and Border Protection (“CBP”) data for U.S. imports under the Harmonized Tariff Schedule of the United States (“HTSUS”) numbers 5806.32.1020, 5806.32.1030, 5806.32.1050, and 5806.32.1060, the four HTSUS categories most specific to the subject merchandise, during the POI. We intend to release the CBP data under Administrative Protective Order (“APO”) to all parties with access to information protected by APO within five days of publication of this **Federal Register** notice and make our decision regarding respondent selection within 20 days of publication of this notice. The Department invites comments regarding the CBP data and respondent selection within ten days of publication of this **Federal Register** notice.

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Department's website at <http://ia.ita.doc.gov/apo>.

Separate Rates

In order to obtain separate-rate status in NME investigations, exporters and producers must submit a separate-rate status application. *See* Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries (April 5, 2005) (Separate Rates and Combination Rates Bulletin), available on the Department's website at <http://ia.ita.doc.gov/policy/bull05-1.pdf>. Based on our experience in processing the separate-rate applications in previous antidumping duty investigations, we have modified the application for this investigation to make it more administrable and easier for applicants to complete. *See, e.g., Initiation of Antidumping Duty Investigation: Certain New Pneumatic Off-the-Road Tires From the People's Republic of China*, 72 FR 43591, 43594–95 (August 6, 2007). The specific requirements for submitting the separate-rate application in this investigation are outlined in detail in the application itself, which will be available on the Department's website at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of publication of this initiation notice in the **Federal Register**. The separate-rate application will be due 60 days after publication of this initiation notice. For exporters and producers who submit a separate-rate status application and subsequently are

selected as mandatory respondents, these exporters and producers will no longer be eligible for consideration for separate rate status unless they respond to all parts of the questionnaire as mandatory respondents. As noted in the "Respondent Selection" section above, the Department requires that respondents submit a response to both the quantity and value questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. The quantity and value questionnaire will be available on the Department's website at <http://ia.ita.doc.gov/ia-highlights-and-news.html> on the date of the publication of this initiation notice in the **Federal Register**.

Use of Combination Rates in an NME Investigation

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in this investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME investigations will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question *and* produced by a firm that supplied the exporter during the period of investigation.

See Separate Rates and Combination Rates Bulletin at 6 (emphasis added).

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public versions of the Petitions have been provided to the representatives of the Governments of the PRC and Taiwan. Because of the

large number of producers/exporters identified in the Petition, the Department considers the service of the public version of the Petition to the foreign producers/exporters satisfied by the delivery of the public version to the Government of the PRC, consistent with 19 CFR 351.203(c)(2).

ITC Notification

We have notified the ITC of our initiations, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine, no later than August 24, 2009, whether there is a reasonable indication that imports of narrow woven ribbon from the PRC and Taiwan are materially injuring, or threatening material injury to a U.S. industry. A negative ITC determination with respect to any country will result in the investigation being terminated for that country; otherwise, these investigations will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: July 29, 2009.

Ronald K. Lorentzen,

Assistant Secretary for Import Administration.

Appendix I

Scope of the Investigations

The merchandise subject to the investigations is narrow woven ribbons with woven selvedge, in any length, but with a width (measured at the narrowest span of the ribbon) less than or equal to 12 centimeters, composed of, in whole or in part, man-made fibers (whether artificial or synthetic, including but not limited to nylon, polyester, rayon, polypropylene, and polyethylene terephthalate), metal threads and/or metalized yarns, or any combination thereof. Narrow woven ribbons subject to the investigations may:

- also include natural or other non-man-made fibers;
- be of any color, style, pattern, or weave construction, including but not limited to single-faced satin, double-faced satin, grosgrain, sheer, taffeta, twill, jacquard, or a combination of two or more colors, styles, patterns, and/or weave constructions;
- have been subjected to, or composed of materials that have been subjected to, various treatments, including but not limited to dyeing, printing, foil stamping, embossing, flocking, coating, and/or sizing;
- have embellishments, including but

not limited to appliqué, fringes, embroidery, buttons, glitter, sequins, laminates, and/or adhesive backing;

- have wire and/or monofilament in, on, or along the longitudinal edges of the ribbon;
- have ends of any shape or dimension, including but not limited to straight ends that are perpendicular to the longitudinal edges of the ribbon, tapered ends, flared ends or shaped ends, and the ends of such woven ribbons may or may not be hemmed;
- have longitudinal edges that are straight or of any shape, and the longitudinal edges of such woven ribbon may or may not be parallel to each other;
- consist of such ribbons affixed to like ribbon and/or cut-edge woven ribbon, a configuration also known as an "ornamental trimming;"
- be wound on spools; attached to a card; hanked (*i.e.*, coiled or bundled); packaged in boxes, trays or bags; or configured as skeins, balls, bateaus or folds; and/or
- be included within a kit or set such as when packaged with other products, including but not limited to gift bags, gift boxes and/or other types of ribbon.

Narrow woven ribbons subject to the investigations include all narrow woven fabrics, tapes, and labels that fall within this written description of the scope of the investigations.

Excluded from the scope of the investigations are the following:

- (1) formed bows composed of narrow woven ribbons with woven selvedge;
- (2) "pull-bows" (*i.e.*, an assemblage of ribbons connected to one another, folded flat and equipped with a means to form such ribbons into the shape of a bow by pulling on a length of material affixed to such assemblage) composed of narrow woven ribbons;
- (3) narrow woven ribbons comprised at least 20 percent by weight of elastomeric yarn (*i.e.*, filament yarn, including monofilament, of synthetic textile material, other than textured yarn, which does not break on being extended to three times its original length and which returns, after being extended to twice its original length, within a period of five minutes, to a length not greater than one and a half times its original length as defined in the Harmonized Tariff Schedule of the United States (HTSUS), Section XI, Note 13) or rubber thread;
- (4) narrow woven ribbons of a kind used for the manufacture of typewriter or printer ribbons;

(5) narrow woven labels and apparel tapes, cut-to-length or cut-to-shape, having a length (when measured across the longest edge-to-edge span) not exceeding 8 centimeters;

(6) narrow woven ribbons with woven selvage attached to and forming the handle of a gift bag;

(7) cut-edge narrow woven ribbons formed by cutting broad woven fabric into strips of ribbon, with or without treatments to prevent the longitudinal edges of the ribbon from fraying (such as by merrowing, lamination, sonobonding, fusing, gumming or waxing), and with or without wire running lengthwise along the longitudinal edges of the ribbon;

(8) narrow woven ribbons comprised at least 85 percent by weight of threads having a denier of 225 or higher;

(9) narrow woven ribbons constructed from pile fabrics (*i.e.*, fabrics with a surface effect formed by tufts or loops of yarn that stand up from the body of the fabric) ;

(10) narrow woven ribbon affixed (including by tying) as a decorative detail to non-subject merchandise, such as a gift bag, gift box, gift tin, greeting card or plush toy, or affixed (including by tying) as a decorative detail to packaging containing non-subject merchandise;

(11) narrow woven ribbon affixed to non-subject merchandise as a working component of such non-subject merchandise, such as where narrow woven ribbon comprises an apparel trimming, book marker, bag cinch, or part of an identity card holder; and

(12) narrow woven ribbon(s) comprising a belt attached to and imported with an item of wearing apparel, whether or not such belt is removable from such item of wearing apparel.

The merchandise subject to the investigations is classifiable under the HTSUS statistical categories 5806.32.1020; 5806.32.1030; 5806.32.1050 and 5806.32.1060. Subject merchandise also may enter under subheadings 5806.31.00; 5806.32.20; 5806.39.20; 5806.39.30; 5808.90.00; 5810.91.00; 5810.99.90; 5903.90.10; 5903.90.25; 5907.00.60; and 5907.00.80 and under statistical categories 5806.32.1080; 5810.92.9080; 5903.90.3090; and 6307.90.9889. The HTSUS statistical categories and subheadings are provided for convenience and customs purposes; however, the written description of the merchandise under investigation is dispositive.

[FR Doc. E9-18732 Filed 8-5-09; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Docket 31-2009]

Foreign-Trade Zone 54—Clinton County, NY; Application for Reorganization Under Alternative Site Framework

An application has been submitted to the Foreign-Trade Zones (FTZ) Board (the Board) by Clinton County, New York, grantee of FTZ 54, requesting authority to reorganize the zone under the alternative site framework (ASF) adopted by the Board (74 FR 1170, 01/12/09; correction 74 FR 3987, 01/22/09). The ASF is an option for grantees for the establishment or reorganization of general-purpose zones and can permit significantly greater flexibility in the designation of new "usage-driven" FTZ sites for operators/users located within a grantee's "service area" in the context of the Board's standard 2,000-acre activation limit for a general-purpose zone project. The application was submitted pursuant to the Foreign-Trade Zones Act, as amended (19 U.S.C. 81a-81u), and the regulations of the Board (15 CFR Part 400). It was formally filed on July 31, 2009.

The grantee's proposed service area under the ASF would be Clinton County, New York. If approved, the grantee would be able to serve sites throughout the service area based on companies' needs for FTZ designation. The proposed service area is adjacent to the Champlain Customs and Border Protection port of entry.

FTZ 54 was approved on February 14, 1980 (Board Order 153, 45 FR 12469, 02/26/80), and expanded on: September 23, 1982 (Board Order 196, 47 FR 43012, 09/30/82); May 29, 1996 (Board Order 829, 61 FR 28840, 06/06/96); May 29, 2001 (Board Order 1169, 66 FR 31612, 06/12/01); and November 16, 2001 (Board Order 1199, 66 FR 59235, 11/27/01). The applicant is requesting to include its current sites in the reorganized zone as "magnet" sites. The applicant proposes that Site 4 be exempt from "sunset" time limits that otherwise apply to sites under the ASF. No usage-driven sites are being proposed at this time. Because the ASF only pertains to establishing or reorganizing a general-purpose zone, the application would have no impact on FTZ 54's authorized subzones.

In accordance with the Board's regulations, Kathleen Boyce of the FTZ Staff is designated examiner to evaluate and analyze the facts and information presented in the application and case

record and to report findings and recommendations to the Board.

Public comment is invited from interested parties. Submissions (original and 3 copies) shall be addressed to the Board's Executive Secretary at the address below. The closing period for their receipt is October 5, 2009. Rebuttal comments in response to material submitted during the foregoing period may be submitted during the subsequent 15-day period (to October 20, 2009).

A copy of the application will be available for public inspection at the Office of the Executive Secretary, Foreign-Trade Zones Board, Room 2111, U.S. Department of Commerce, 1401 Constitution Avenue, NW., Washington, DC 20230-0002, and in the "Reading Room" section of the Board's Web site, which is accessible via <http://www.trade.gov/ftz>. For further information, contact Kathleen Boyce at Kathleen_Boyce@ita.doc.gov or 202-482-1346.

Dated: July 31, 2009.

Andrew McGilvray,

Executive Secretary.

[FR Doc. E9-18874 Filed 8-5-09; 8:45 am]

BILLING CODE P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-953]

Narrow Woven Ribbons With Woven Selvage From the People's Republic of China: Initiation of Countervailing Duty Investigation

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* August 6, 2009.

FOR FURTHER INFORMATION CONTACT: Robert Copyak, Shelly Atkinson, or Justin Neuman, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-2209, (202) 482-0116, and (202) 482-0486, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On July 9, 2009, the Department of Commerce ("the Department") received countervailing duty ("CVD") and antidumping duty ("AD") petitions concerning imports of narrow woven ribbons with woven selvage ("narrow woven ribbons") from the People's Republic of China ("PRC"). The petitions were filed in proper form by

Berwick Offray LLC and its wholly-owned subsidiary Lion Ribbon Company, Inc. (collectively, “the Petitioner”), a domestic producer of narrow woven ribbons. See “Petition for Countervailing Duty and Antidumping Duty Investigations of China and an Antidumping Duty Investigation of Taiwan on Imports of Narrow Woven Ribbons with Woven Selvage” (“the Petition”). On July 13, 2009, the Department issued a request for additional information and clarification of certain of the Petitioner’s subsidy allegations. See Letter from Brandon Farlander, Program Manager, AD/CVD Operations, Office 1, to the Petitioner, “Petition for the Imposition of Countervailing Duties on Imports of Narrow Woven Ribbons with Woven Selvage from the People’s Republic of China: Questions Regarding the Countervailing Duty Allegations,” dated July 13, 2009. In response to the Department’s request, the Petitioner timely filed additional information on July 17, 2009. See Supplement to the CVD Petition, dated July 17, 2009. On July 14, 2009, the Department contacted the Petitioner by telephone seeking additional information and clarification regarding the Petition. See Memorandum to the File from Matthew Glass, “Scope Call with the Petitioner,” dated July 14, 2009. On July 15, 2009, a request seeking clarification regarding the general issues of the Petition was sent to the Petitioner. See Letter from Shawn Thompson, Program Manager, AD/CVD Operations, Office 2, to the Petitioner, “Regarding Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Narrow Woven Ribbons with Woven Selvage (“NWR”) from the People’s Republic of China and Antidumping Duties on Imports of NWR from Taiwan: Supplemental Questions,” dated July 15, 2009. A second request seeking additional information and clarification regarding the Petition was sent to the Petitioner on July 17, 2009. See Letter from Brandon Farlander, Program Manager, AD/CVD Operations, Office 1, to the Petitioner, “Petition for the Imposition of Countervailing Duties on Imports of Narrow Woven Ribbons with Woven Selvage from the People’s Republic of China: Questions Regarding the Countervailing Duty Allegations,” dated June 17, 2009. In response to the Department’s request, the Petitioner timely filed additional information pertaining to the Petition on July 21, 2009. See Supplement to the AD/CVD Petitions, dated July 21, 2009. On July 22, 2009, another request seeking clarification regarding the general issues

of the Petition was sent to the Petitioner. See Letter from Shawn Thompson, Program Manager, AD/CVD Operations, Office 2, to the Petitioner, “Regarding Supplement to the Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Narrow Woven Ribbons with Woven Selvage (NWR) from the People’s Republic of China and Antidumping Duties on Imports of NWR from Taiwan: Additional Questions,” dated July 22, 2009. On July 23, 2009, and July 24, 2009, the Department contacted the Petitioner by telephone seeking additional information and clarification regarding the Petition. See Memorandum to the File from Meredith A.W. Rutherford, “General Issues Discussion with the Petitioner,” dated July 23, 2009; see also Memorandum to the File from David Layton, Trade Analyst, AD/CVD Operations, Office 1, “Petition for the Imposition of Countervailing Duties on Imports of Narrow Woven Ribbons with Woven Selvage from the People’s Republic of China: Question Regarding the Countervailing Duty Allegations,” dated July 24, 2009. Based on the Department’s request, the Petitioner timely filed additional information pertaining to the Petition on July 27, 2009. See Second Supplement to the AD/CVD Petitions, dated July 27, 2009. On July 28, 2009, the Department again contacted the Petitioner by telephone seeking additional information and clarification regarding certain general issues of the Petition. See Memorandum to the File from Meredith A.W. Rutherford, “Phone Call with the Petitioner,” dated July 28, 2009, and Memorandum to the File from Elizabeth Eastwood, “Scope Calls with the Petitioner,” dated July 29, 2009. Based on the Department’s request, the Petitioner timely filed additional information pertaining to the Petition on July 29, 2009. See Third Supplement to the AD/CVD Petitions, dated July 29, 2009.

In accordance with section 702(b)(1) of the Tariff Act of 1930, as amended (“the Act”), the Petitioner alleges that producers/exporters of narrow woven ribbons in the PRC received countervailable subsidies within the meaning of sections 701 and 771(5) of the Act and that imports materially injure, or threaten material injury to, an industry in the United States.

The Department finds that the Petitioner filed this Petition on behalf of the domestic industry because it is an interested party as defined in section 771(9)(C) of the Act, and the Petitioner has demonstrated sufficient industry support with respect to the CVD

investigation that it is requesting the Department to initiate (see “Determination of Industry Support for the Petition” below).

Period of Investigation

The anticipated period of investigation (“POI”) is calendar year 2008. See 19 CFR 351.204(b)(2).

Scope of Investigation

The products covered by this investigation are narrow woven ribbons with woven selvage from the PRC. For a full description of the scope of the investigation, please see the “Scope of Investigation” in Appendix I to this notice.

Comments on Scope of Investigation

During our review of the Petition, we discussed the scope with the Petitioner to ensure that it is an accurate reflection of the products for which the domestic industry is seeking relief. Moreover, as discussed in the preamble to the regulations (See *Antidumping Duties; Countervailing Duties; Final Rule*, 62 FR 27296, 27323 (May 19, 1997)), we are setting aside a period for interested parties to raise issues regarding product coverage. The Department encourages all interested parties to submit such comments by August 18, 2009, twenty calendar days from the signature of this notice. Comments should be addressed to Import Administration’s APO/ Dockets Unit, Room 1870, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230. The period of scope consultations is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determinations.

Consultations

Pursuant to section 702(b)(4)(A)(ii) of the Act, the Department held consultations with the Government of the PRC (hereinafter, the GOC) with respect to the Petition on July 24, 2009. See Memorandum to the File, “Countervailing Duty Petition on Narrow Woven Ribbons with Woven Selvage from the People’s Republic of China—Consultations with the Government of China,” on file in the CRU, Room 1117 of the main Department of Commerce building.

Determination of Industry Support for the Petition

Section 702(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 702(c)(4)(A) of the Act provides that a petition meets

this requirement if the domestic producers or workers who support the petition account for: (i) At least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 702(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) Poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the industry.

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (“ITC”), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product (section 771(10) of the Act), they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law. *See USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (Ct. Int’l Trade 2001), citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (Ct. Int’l Trade 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989), *cert. denied* 492 U.S. 919 (1989).

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the petition).

With regard to the domestic like product, the Petitioner does not offer a definition of domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that narrow woven ribbons constitute a single domestic like product and we have analyzed industry support in terms of that domestic like product. For a discussion of the domestic like product analysis in this case, *see* Countervailing Duty Investigation Initiation Checklist: Narrow Woven Ribbons with Woven Selvage from the People’s Republic of China (“CVD Initiation Checklist”) at Attachment II (Industry Support), dated concurrently with this notice and on file in the CRU, Room 1117 of the main Department of Commerce building.

In determining whether the Petitioner has standing under section 702(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the “Scope of Investigation” in Appendix I. To establish industry support, the Petitioner provided its production of the domestic like product for the year 2008, and compared this to the total estimated production of the domestic like product for the entire domestic industry. *See* Volume I of the Petition, at 7, and Exhibits 2, 4, and 5, Supplement to the AD/CVD Petitions, dated July 21, 2009, at A–9–11, Second Supplement to the AD/CVD Petitions, dated July 27, 2009, at A–1–2 and Exhibit 117, and Third Supplement to the AD/CVD Petitions, dated July 29, 2009, at Attachment II. To estimate 2008 production of the domestic like product, the Petitioner used its own data and industry specific knowledge. The Petitioner calculated total domestic production based on its own production plus estimates from the nine other producers of the domestic like product in the United States. *See id.*, *see also* CVD Initiation Checklist at Attachment II, Industry Support.

Our review of the data provided in the Petition, supplemental submissions, and other information readily available to the Department indicates that the Petitioner has established industry support. First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (e.g., polling). *See* section 702(c)(4)(D) of the Act; *see also* CVD Initiation Checklist at Attachment II. Second, the domestic producers (or workers) have met the statutory criteria

for industry support under section 702(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product. *See* CVD Initiation Checklist at Attachment II. Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 702(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition. Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 702(b)(1) of the Act. *See id.*

Injury Test

Because the PRC is a “Subsidies Agreement Country” within the meaning of section 701(b) of the Act, section 701(a)(2) of the Act applies to this investigation. Accordingly, the ITC must determine whether imports of the subject merchandise from the PRC materially injure, or threaten material injury to, a U.S. industry.

Allegations and Evidence of Material Injury and Causation

The Petitioner alleges that imports of narrow woven ribbons from the PRC are benefitting from countervailable subsidies and that such imports are causing, or threaten to cause, material injury to the domestic industry producing narrow woven ribbons. In addition, the Petitioner alleges that subsidized imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.

The Petitioner contends that the industry’s injured condition is illustrated by reduced market share, underselling and price depressing and suppressing effects, increased import penetration, lost sales and revenue, reduced production, reduced capacity, reduced capacity utilization, reduced shipments, reduced employment, and an overall decline in financial performance. We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation. *See* CVD Initiation Checklist at Attachment III (Analysis of Allegations and Evidence of Material Injury and Causation for the Petition).

Initiation of Countervailing Duty Investigation

Section 702(b) of the Act requires the Department to initiate a CVD proceeding whenever an interested party files a CVD petition on behalf of an industry that: (1) Alleges the elements necessary for an imposition of a duty under section 701(a) of the Act; and (2) is accompanied by information reasonably available to the petitioner supporting the allegations.

The Department has examined the Petition on narrow woven ribbons from the PRC and finds that it complies with the requirements of section 702(b) of the Act. Therefore, in accordance with section 702(b) of the Act, we are initiating a CVD investigation to determine whether producers/exporters of narrow woven ribbons in the PRC receive countervailable subsidies. For a discussion of evidence supporting our initiation determination, *see* CVD Initiation Checklist.

We are including in our investigation the following programs alleged in the Petition to provide countervailable subsidies to producers/exporters of the subject merchandise:

A. Loan Programs

1. Policy Loans to Narrow Woven Ribbon Producers From State-Owned Commercial Banks

B. Grant Programs

2. The State Key Technology Renovation Project Fund
3. Famous Brands Program
4. Export Assistance Grants
5. Export Interest Subsidy Funds for Enterprises Located in Zhejiang Province
6. Technology Grants for Enterprises Located in Zhejiang Province

C. Income and Other Direct Tax Programs

7. Preferential Tax Policies for Enterprises with Foreign Investment ("Two Free Three Half") Program
8. Tax Subsidies to FIEs in Specially Designated Areas
9. Preferential Tax Policies for Export-Oriented FIEs
10. Corporate Income Tax Refund Program for Reinvestment of FIE Profits in Export-Oriented Enterprises
11. Local Income Tax Exemption and Reduction Programs for "Productive" FIEs
12. Tax Program for High or New Technology FIEs
13. Preferential Tax Policies for Township Enterprises
14. Preferential Tax Policies for Research and Development for FIEs
15. Tax Benefits for FIEs in Encouraged Industries that Purchase Domestic Equipment

D. Indirect Tax and Tariff Exemption Programs

16. Import Tariff and VAT Exemptions for FIEs Using Imported Technology and Equipment

17. Import Tariff and VAT Exemptions for Certain Domestic Enterprises Using Imported Technology and Equipment
18. VAT Rebate for FIE Purchases of Domestically Produced Equipment

For further information explaining why the Department is investigating these programs, *see* CVD Initiation Checklist.

We are not including in our investigation the following programs alleged to benefit producers/exporters of the subject merchandise in the PRC:

1. Loan Guarantees to Narrow Woven Ribbon Producers from State-Owned Commercial Banks
2. Export Loans
3. Loan Forgiveness
4. Loan Interest Forgiveness
5. Grants for High-Technology Equipment
6. Technology Development Grants for Enterprises Located in Wenzhou Municipality
7. Grants to Loss-Making SOEs
8. Provision of Land Use Rights to SOEs for LTAR
9. Provision of Land Use Rights for LTAR in Certain Geographical Regions
10. Provision of Yarn for LTAR

For further information explaining why the Department is not initiating an investigation of these programs, *see* CVD Initiation Checklist.

Respondent Selection

For this investigation, the Department intends to select respondents based on U.S. Customs and Border Protection ("CBP") data for U.S. imports under HTSUS numbers 5806.32.1020, 5806.32.1030, 5806.32.1050, and 5806.32.1060, the four HTSUS categories most specific to the subject merchandise, during the POI. We intend to release the CBP data under Administrative Protective Order ("APO") to all parties with access to information protected by APO within five days of the announcement of the initiation of this investigation.

Interested parties may submit comments regarding the CBP data and respondent selection within seven calendar days of publication of this notice. We intend to make our decision regarding respondent selection within 20 days of publication of this notice. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. Instructions for filing such applications may be found on the Department's Web site at <http://ia.ita.doc.gov/apo>.

Distribution of Copies of the Petition

In accordance with section 702(b)(4)(A)(i) of the Act and 19 CFR 351.202(f), a copy of the public version of the Petition has been provided to the representatives of the GOC. Because of the particularly large number of

producers/exporters identified in the Petition, the Department considers the service of the public version of the Petition to the foreign producers/exporters satisfied by the delivery of the public version to the GOC, consistent with 19 CFR 351.203(c)(2).

ITC Notification

We have notified the ITC of our initiation, as required by section 702(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine, within 25 days after the date on which it receives notice of the initiation, whether there is a reasonable indication that imports of subsidized narrow woven ribbons from the PRC materially injure, or threaten material injury to, a U.S. industry. *See* section 703(a)(2) of the Act. A negative ITC determination will result in the investigation being terminated; *see* section 703(a)(1) of the Act. Otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is issued and published pursuant to section 777(i) of the Act.

Dated: July 29, 2009.

Ronald K. Lorentzen,

Acting Assistant Secretary for Import Administration.

Appendix I

Scope of the Investigation

The merchandise subject to the investigation is narrow woven ribbons with woven selvedge, in any length, but with a width (measured at the narrowest span of the ribbon) less than or equal to 12 centimeters, composed of, in whole or in part, man-made fibers (whether artificial or synthetic, including but not limited to nylon, polyester, rayon, polypropylene, and polyethylene terephthalate), metal threads and/or metalized yarns, or any combination thereof. Narrow woven ribbons subject to the investigation may:

- Also include natural or other non-man-made fibers;
- Be of any color, style, pattern, or weave construction, including but not limited to single-faced satin, double-faced satin, grosgrain, sheer, taffeta, twill, jacquard, or a combination of two or more colors, styles, patterns, and/or weave constructions;
- Have been subjected to, or composed of materials that have been subjected to, various treatments, including but not limited to dyeing, printing, foil stamping, embossing, flocking, coating, and/or sizing;
- Have embellishments, including but not limited to appliqué, fringes, embroidery, buttons, glitter, sequins, laminates, and/or adhesive backing;
- Have wire and/or monofilament in, on, or along the longitudinal edges of the ribbon;
- Have ends of any shape or dimension, including but not limited to straight ends that are perpendicular to the longitudinal edges of

the ribbon, tapered ends, flared ends or shaped ends, and the ends of such woven ribbons may or may not be hemmed;

- Have longitudinal edges that are straight or of any shape, and the longitudinal edges of such woven ribbon may or may not be parallel to each other;

- Consist of such ribbons affixed to like ribbon and/or cut-edge woven ribbon, a configuration also known as an "ornamental trimming;"

- Be wound on spools; attached to a card; hanked (*i.e.*, coiled or bundled); packaged in boxes, trays or bags; or configured as skeins, balls, bateaus or folds; and/or

- Be included within a kit or set such as when packaged with other products, including but not limited to gift bags, gift boxes and/or other types of ribbon.

Narrow woven ribbons subject to the investigation include all narrow woven fabrics, tapes, and labels that fall within this written description of the scope of this investigation.

Excluded from the scope of the investigation are the following:

(1) Formed bows composed of narrow woven ribbons with woven selvedge;

(2) "Pull-bows" (*i.e.*, an assemblage of ribbons connected to one another, folded flat and equipped with a means to form such ribbons into the shape of a bow by pulling on a length of material affixed to such assemblage) composed of narrow woven ribbons;

(3) Narrow woven ribbons comprised at least 20 percent by weight of elastomeric yarn (*i.e.*, filament yarn, including monofilament, of synthetic textile material, other than textured yarn, which does not break on being extended to three times its original length and which returns, after being extended to twice its original length, within a period of five minutes, to a length not greater than one and a half times its original length as defined in the Harmonized Tariff Schedule of the United States (HTSUS), Section XI, Note 13) or rubber thread;

(4) Narrow woven ribbons of a kind used for the manufacture of typewriter or printer ribbons;

(5) Narrow woven labels and apparel tapes, cut-to-length or cut-to-shape, having a length (when measured across the longest edge-to-edge span) not exceeding 8 centimeters;

(6) Narrow woven ribbons with woven selvedge attached to and forming the handle of a gift bag;

(7) Cut-edge narrow woven ribbons formed by cutting broad woven fabric into strips of ribbon, with or without treatments to prevent the longitudinal edges of the ribbon from fraying (such as by merrowing, lamination, sono-bonding, fusing, gumming or waxing), and with or without wire running lengthwise along the longitudinal edges of the ribbon;

(8) Narrow woven ribbons comprised at least 85 percent by weight of threads having a denier of 225 or higher;

(9) Narrow woven ribbons constructed from pile fabrics (*i.e.*, fabrics with a surface effect formed by tufts or loops of yarn that stand up from the body of the fabric);

(10) Narrow woven ribbon affixed (including by tying) as a decorative detail to non-subject merchandise, such as a gift bag,

gift box, gift tin, greeting card or plush toy, or affixed (including by tying) as a decorative detail to packaging containing non-subject merchandise;

(11) Narrow woven ribbon affixed to non-subject merchandise as a working component of such non-subject merchandise, such as where narrow woven ribbon comprises an apparel trimming, book marker, bag cinch, or part of an identity card holder; and

(12) Narrow woven ribbon(s) comprising a belt attached to and imported with an item of wearing apparel, whether or not such belt is removable from such item of wearing apparel.

The merchandise subject to this investigation is classifiable under the HTSUS statistical categories 5806.32.1020; 5806.32.1030; 5806.32.1050 and 5806.32.1060. Subject merchandise also may enter under subheadings 5806.31.00; 5806.32.20; 5806.39.20; 5806.39.30; 5808.90.00; 5810.91.00; 5810.99.90; 5903.90.10; 5903.90.25; 5907.00.60; and 5907.00.80 and under statistical categories 5806.32.1080; 5810.92.9080; 5903.90.3090; and 6307.90.9889. The HTSUS statistical categories and subheadings are provided for convenience and customs purposes; however, the written description of the merchandise under investigation is dispositive.

[FR Doc. E9-18892 Filed 8-5-09; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XQ79

New England Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of a public meeting.

SUMMARY: The New England Fishery Management Council's (NEFMC) Scientific and Statistical Committee (SSC) will host an Ecosystem Based Fisheries Management (EBFM) Workshop for Council members and staff, Plan Development Team members, interested parties and members of the public. The intent of this meeting is to develop a "blueprint" that would inform the Council's efforts to develop an EBFM approach or plan for NEFMC-managed species.

DATES: This meeting will be held on August 26 and August 27, 2009. See **SUPPLEMENTARY INFORMATION** for specific dates and times.

ADDRESSES: The meeting will be held at the Marriott Hotel, 25 America's Cup Avenue, Newport, RI 02840; telephone: (401) 849-1000; fax: (401) 849-3422.

Council address: New England Fishery Management Council, 50 Water Street, Mill 2, Newburyport, MA 01950.

FOR FURTHER INFORMATION CONTACT: Paul J. Howard, Executive Director, New England Fishery Management Council; telephone: (978) 465-0492.

SUPPLEMENTARY INFORMATION: The meeting will begin at 9 a.m. on Wednesday, August 26, 2009 and recess at 5 p.m., or when business is complete; reconvene at 9 a.m. on Thursday, August 27, 2009 and recess at 3 p.m., or when business is complete.

Special Accommodations

This meeting is physically accessible to people with disabilities. Requests for sign language interpretation or other auxiliary aids should be directed to Paul J. Howard, Executive Director, at 978-465-0492, at least 5 days prior to the meeting date.

Authority: 16 U.S.C. 1801 *et seq.*

Dated: July 31, 2009.

Tracey L. Thompson,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. E9-18745 Filed 8-5-09; 8:45 am]

BILLING CODE 3510-22-S

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648-XQ78

Gulf of Mexico Fishery Management Council; Public Meetings

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of a public meeting.

SUMMARY: The Gulf of Mexico Fishery Management Council (Council) will convene the SEDAR Red Snapper Update Workshop (SEDAR).

DATES: The meeting will convene at 1 p.m. on Monday, August 24, 2009 and conclude no later than 1 p.m. on Friday, August 28, 2009.

ADDRESSES: The meeting will be held at the NMFS, 75 Virginia Beach Drive, Miami, FL 33149.

Council address: Gulf of Mexico Fishery Management Council, 2203 North Lois Avenue, Suite 1100, Tampa, FL 33607.

FOR FURTHER INFORMATION CONTACT: Steven Atran, Population Dynamic Statistician, Gulf of Mexico Fishery Management Council; telephone: (813) 348-1630.

APPENDIX B

CONFERENCE WITNESSES

CALENDAR OF THE PUBLIC CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission's conference:

Subject: Narrow Woven Ribbons from China and Taiwan
Inv. No.: 701-TA-467 and 731-TA-1164-1165 (Preliminary)
Date and Time: July 30, 2009 - 9:30 a.m.

The conference in connection with these investigations was held in the Main Hearing Room (room 101), 500 E Street, SW, Washington, D.C.

OPENING REMARKS:

Petitioners (Gregory C. Dorris, Pepper Hamilton LLP)
Respondents (Brenda A. Jacobs, Sidley Austin LLP)

In Support of the Imposition of Antidumping Duties:

Pepper Hamilton LLP
Washington, D.C.
on behalf of

Party name(s)

Scott M. Shea, President,
Berwick Offray LLC and Lion Ribbon Company, Inc.

Julie Pajic, Head of Marketing and Sales,
Berwick Offray LLC

Owen Deese, Senior Industrial Engineer,
Berwick Offray LLC

Bruce Kerr, Vice President-Procurement,
Berwick Offray LLC

Donald Girard, Design Engineer,
Berwick Offray LLC

Gregory C. Dorris, Esq.) – OF COUNSEL

In Opposition to the Imposition of
Antidumping Duties:

Sidley Austin LLP
Washington, D.C.
on behalf of

Party name(s)

David Mitchell, Business Unit Divisional Manager – Celebrations,
Michaels Stores, Inc.

Robert D. Icsman, Senior Legal Counsel,
Jo-Ann Stores, Inc.

Melissa Freebern, Merchandise Manager,
Hobby Lobby Stores, Inc.

Brenda A. Jacobs, Esq.)
Neil Ellis, Esq.) – OF COUNSEL
Jill Caiazzo, Esq.)

Party name(s)

John Aemisegger, President,
Compass Designs LLC

Joseph Duffey, CEO,
Compass Designs LLC

Richard Jenkins, Controller,
Compass Designs LLC

In Opposition to the Imposition of
Antidumping Duties (continued):

Garvey Schubert Barer
Washington, D.C.
on behalf of

Party name(s)

Charles Vaughn, President,
MNC Stribbons, Inc.

Thomas Lodge, President,
Liberty Ribbons & Packaging LLC

Vinci Wong, President,
Papillon Ribbons & Bows, Inc.

Ronald M. Wisla, Esq.
William E. Perry, Esq.

) – OF COUNSEL
)

REBUTTAL/CLOSING REMARKS:

Petitioners (Gregory C. Dorris, Pepper Hamilton LLP)
Respondents (Neil Ellis, Sidley Austin LLP)
(William E. Perry, Garvey Schubert Barer)

APPENDIX C
SUMMARY DATA

APPENDIX C

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Table C-1	
Narrow woven ribbons: Summary data concerning the U.S. market, 2006-08, January-March 2008, and January-March 2009 (VALUE BASIS)	C-5

The apparent U.S. consumption, market share, and U.S. import data presented in table C-1 are calculated on a value basis compiled from Commission questionnaire responses.

Table C-2	
Narrow woven ribbons: Summary data concerning the U.S. market, 2006-08, January-March 2008, and January-March 2009 (QUANTITY BASIS)	C-6

The apparent U.S. consumption, market share, and U.S. import data presented in table C-2 are compiled from Commission questionnaire responses by firms that could provide both quantity (in square yards) and value data. Although this method understates import quantity, table C-2 presents average unit values on a consistent basis for comparison purposes.

Table C-1

Narrow woven ribbons: Summary data concerning the U.S. market, 2006-08, January-March 2008, and January-March 2009 (VALUE BASIS)

(Quantity=square yards, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per square yard; period changes=percent, except where noted)

Item	Reported data					Period changes			
	2006	2007	2008	January-March		2006-08	2006-07	2007-08	Jan.-Mar. 2008-09
				2008	2009				
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
China	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from:									
China:									
Value	21,733	26,980	27,076	4,404	3,639	24.6	24.1	0.4	-17.4
Taiwan:									
Value	40,295	38,781	37,888	5,572	7,123	-6.0	-3.8	-2.3	27.8
Subtotal:									
Value	62,027	65,761	64,964	9,976	10,762	4.7	6.0	-1.2	7.9
All other sources:									
Value	6,134	5,925	5,173	1,252	844	-15.7	-3.4	-12.7	-32.6
All sources:									
Value	68,161	71,686	70,137	11,228	11,606	2.9	5.2	-2.2	3.4
U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (yards/1,000 hours)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires.

Table C-2

Narrow woven ribbons: Summary data concerning the U.S. market, 2006-08, January-March 2008, and January-March 2009 (QUANTITY BASIS)

(Quantity=square yards, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per square yard; period changes=percent, except where noted)									
Item	Reported data					Period changes			
	2006	2007	2008	January-March 2008	2009	2006-08	2006-07	2007-08	Jan.-Mar. 2008-09
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
China	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from:									
China:									
Quantity	7,546	8,117	7,764	1,386	1,222	2.9	7.6	-4.4	-11.8
Value for reported quantity	17,986	20,658	20,614	3,964	3,335	14.6	14.9	-0.2	-15.9
Unit value	\$2.38	\$2.55	\$2.66	\$2.86	\$2.73	11.4	6.8	4.3	-4.6
Ending inventory quantity	3,219	3,661	3,803	3,934	3,795	18.1	13.7	3.9	-3.5
Taiwan:									
Quantity	12,102	11,737	10,442	1,996	1,726	-13.7	-3.0	-11.0	-13.5
Value for reported quantity	30,296	28,862	28,537	5,266	4,609	-5.8	-4.7	-1.1	-12.5
Unit value	\$2.50	\$2.46	\$2.73	\$2.64	\$2.67	9.2	-1.8	11.1	1.2
Ending inventory quantity	2,924	3,307	3,406	3,271	3,226	16.5	13.1	3.0	-1.4
Subtotal:									
Quantity	19,648	19,854	18,206	3,383	2,948	-7.3	1.0	-8.3	-12.8
Value for reported quantity	48,282	49,520	49,151	9,230	7,944	1.8	2.6	-0.7	-13.9
Unit value	\$2.46	\$2.49	\$2.70	\$2.73	\$2.69	9.9	1.5	8.2	-1.3
Ending inventory quantity	6,143	6,968	7,209	7,205	7,021	17.3	13.4	3.5	-2.5
All other sources:									
Quantity	1,422	1,295	1,208	272	205	-15.1	-8.9	-6.8	-24.4
Value for reported quantity	4,909	4,844	4,520	987	774	-7.9	-1.3	-6.7	-21.6
Unit value	\$3.45	\$3.74	\$3.74	\$3.63	\$3.77	8.4	8.3	0.1	3.7
Ending inventory quantity	778	804	840	857	742	7.9	3.4	4.4	-13.5
All sources:									
Quantity	21,070	21,149	19,413	3,654	3,154	-7.9	0.4	-8.2	-13.7
Value for reported quantity	53,191	54,364	53,671	10,217	8,718	0.9	2.2	-1.3	-14.7
Unit value	\$2.52	\$2.57	\$2.76	\$2.80	\$2.76	9.5	1.8	7.6	-1.1
Ending inventory quantity	6,921	7,772	8,049	8,062	7,763	16.3	12.3	3.6	-3.7
U.S. producers:									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (yards/1,000 hours)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

Note.--To calculate average unit values for U.S. imports, the values shown are limited to those for companies reporting both quantity and value data.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires.

APPENDIX D

PRICING DATA REPORTED BY PURCHASERS

Table D-1

Narrow woven ribbons: Delivered purchase prices and quantities imported product 1 reported by *, by quarters, January 2006-March 2009**

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Table D-2

Narrow woven ribbons: Delivered purchase prices and quantities of imported product 2 reported by *, by quarters, January 2006-March 2009**

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Table D-3

Narrow woven ribbons: Delivered purchase prices and quantities of imported product 4 reported by *, by quarters, January 2006-March 2009**

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Table D-4

Narrow woven ribbons: Delivered purchase prices and quantities of imported product 5 reported by *, by quarters, January 2006-March 2009**

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Table D-5

Narrow woven ribbons: Delivered purchase prices and quantities of imported product 6 reported by *, by quarters, January 2006-March 2009**

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Table D-6

Narrow woven ribbons: Delivered purchase prices and quantities of domestic and imported product 1 reported by *, by quarters, January 2006-March 2009**

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Table D-7

Narrow woven ribbons: Delivered purchase prices and quantities of domestic and imported product 2 reported by *, by quarters, January 2006-March 2009**

* * * * *

Table D-8

Narrow woven ribbons: Delivered purchase prices and quantities of imported product 3 reported by *, by quarters, January 2006-March 2009**

* * * * *

Table D-9

Narrow woven ribbons: Delivered purchase prices and quantities of domestic and imported product 4 reported by *, by quarters, January 2006-March 2009**

* * * * *

Table D-10

Narrow woven ribbons: Delivered purchase prices and quantities of domestic product 5 reported by *, by quarters, January 2006-March 2009**

* * * * *

Table D-11

Narrow woven ribbons: Delivered purchase prices and quantities of domestic and imported product 6 reported by *, by quarters, January 2006-March 2009**

* * * * *

APPENDIX E

ALLEGED EFFECTS OF SUBJECT IMPORTS ON U.S. PRODUCERS' EXISTING DEVELOPMENT AND PRODUCTION EFFORTS, GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL

The Commission requested U.S. producers to describe any actual or potential negative effects since January 1, 2006, on their return on investment, growth, investment, ability to raise capital, existing development and production efforts, or the scale of capital investments as a result of imports of narrow woven ribbons from China. Their responses are as follows:

Actual Negative Effects

* * * * *

Anticipated Negative Effects

* * * * *

